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ABSTRACT

This document is a transcript of two days of proceedings for a United States Senate committee hearing to discuss "Goals 2000: Educate America Act." This bill was proposed by President Clinton to provide a national framework for education reform; promote the research, consensus building, and systemic changes needed to endure equal educational opportunities and high levels of educational achievement for all American students; provide a framework for reauthorization of federal educational programs; and promote the development and adoption of a voluntary national system of skill standards and certifications. For the first day of the hearing, the document includes prepared statements and questioning of United States Senators Edward Kennedy, Nancy Kassebaum, Judd Gregg, Barbara Mikulski, Christopher Dodd, and Dave Durenberger. Statements and questioning are also included for Richard Riley, United States Secretary of Education; Tracey Bailey, 1993 National Teacher of the Year; Norman Conrad, 1992 Kansas Teacher of the Year; Linda Davis, deputy superintendent of the Unified School District, San Francisco, California; and George Kaye, vice president of human resources for Brigham and Women's Hospital in Boston, Massachusetts. For the second day of hearings, the document includes prepared statements and questioning of several United States Senators and education experts, including Senators Edward Kennedy, Strom Thurmond, and Dave Durenberger; Marc Tucker, president of the National Center on Education and the Economy; Harry Featherstone, representing the National Association of Manufacturers; John Sweeney, president of the Service Employees International Union; and Linda Morra, director of the Education and Employment Issues of the United States General Accounting Office. (MM)

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GOALS 2000: EDUCATE AMERICA ACT

ED 363 456

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HEARING

BEFORE THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

ON

S. 846

TO IMPROVE LEARNING AND TEACHING BY PROVIDING A NATIONAL FRAMEWORK FOR EDUCATION REFORM; TO PROMOTE THE RESEARCH, CONSENSUS BUILDING, AND SYSTEMIC CHANGES NEEDED TO ENSURE EQUITABLE EDUCATIONAL OPPORTUNITIES AND HIGH LEVELS OF EDUCATIONAL ACHIEVEMENT FOR ALL AMERICAN STUDENTS; TO PROVIDE A FRAMEWORK FOR REAUTHORIZATION OF ALL FEDERAL EDUCATION PROGRAMS; TO PROMOTE THE DEVELOPMENT AND ADOPTION OF A VOLUNTARY NATIONAL SYSTEM OF SKILL STANDARDS AND CERTIFICATIONS; AND FOR OTHER PURPOSES

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GOALS 2000: EDUCATE AMERICA ACT

TUESDAY, MAY 4, 1993

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room SD–430, Dirksen Senate Office Building, Senator Edward M. Kennedy (chairman of the committee) presiding.

Present: Senators Kennedy, Dodd, Wellstone, Kassebaum, Jeffords, Coats, Gregg, Thurmond, Hatch, and Durenberger.

OPENING STATEMENT OF SENATOR KENNEDY

The CHAIRMAN. We'll come to order.

One of the highest priorities for this Congress is education reform. Ten years after publication of the landmark report, "A Nation at Risk," our schools are, if anything, at deeper risk. In many cities, one in four students drops out of school. Twenty-three million Americans are illiterate. Thousands of college students require remedial high school-level courses. Seventy percent of employers report that new high school graduates can't understand written or verbal instructions.

In short, too many of our schools are unable to prepare their students for the challenges of our society. Unless we halt the slide, America's competitive position in the world and our standard of living will continue to decline.

To deal with this challenge, President Clinton has proposed this important bill before us—"Goals 2000: The Educate America Act." This measure is an important first step toward revitalizing education in communities across America. It also includes important provisions to achieve long overdue improvements in the Nation's approach to skills in the workplace. "Goals 2000" thus lays the foundation for both education reform and job training reform.

I would mention at this point that we intend in this committee to hold a special hearing on the issue of standards and assessments, that aspect of the legislation. We understand that Secretary Reich is testifying on that issue over in the House, and we'll do a similar hearing very shortly on those particular provisions.

By codifying the National Education Goals, the legislation will strengthen our commitment to reach them. By providing for the development and certification of voluntary standards for learning in seven basic courses—math, science, English, history, foreign languages, art and geography—this legislation will help to end the growing confusion about what students should be learning in their classes. It will also help to make sure that students have the chance to reach these standards by encouraging well-trained teachers and effective class materials.

For the workplace, the legislation promotes national skill-based standards for job training. Workers and those seeking work deserve clear guidance as to the skills that should be acquired to enter and get ahead in particular occupations, and particularly when so many of the young people entering the job market are going to be moving on to other jobs, the aspect of portability that this will create will be of enormous value to them.

Finally, the legislation provides greater flexibility for local school districts and funding to help them begin to carry forward the long and difficult process of reform.

We are fortunate that Secretary Riley has come here today to discuss the administration's bill and to answer our questions. We are also fortunate to have a witness from a State that is leading the Nation in its efforts, Dr. Richard Mills from Vermont. Finally, we will hear testimony from those at the grassroots level—teachers, administrators and employers who know what is needed and who will advise us on these ideas.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman. I would just like to ask that my full statement be made a part of the record.

I am very supportive of the efforts of the Secretary of Education. Secretary Riley knows education well, and through his service as Governor of South Carolina, has shown what can be done to improve a State's educational system, and I admire the efforts of both the Secretary and President Clinton to focus on the importance of educational reform.

I would just like to point out two things that the Secretary knows I have some concerns about. One is the overly prescriptive nature of the education reform bill, which, I wish we could improve a bit. The other aspect is establishing State and local policymaking panels that are outside those which already exist. Wishing, Mr. Chairman, to reduce as much bureaucracy as possible, we will continue to try to be supportive and yet find some changes that we could make to address this.

Thank you.

The CHAIRMAN. Thank you very much.

[The prepared statement of Senator Kassebaum follows:]

PREPARED STATEMENT OF SENATOR KASSEBAUM

It is a pleasure to welcome Secretary Riley and our other distinguished witnesses to this morning's hearing on the Clinton administration's education reform bill, "Goals 2000: Educate America Act."

There is a national consensus regarding the importance of education and the need to spur reforms which will produce the quality of education that Americans need and expect. The Federal Government can bring national focus to education, offer support for innovation and experimentation, and encourage improvement in our educational system. I recognize that President Clinton and Secretary Riley have worked hard to craft a bill that will accomplish all of these tasks. However, I have a number of concerns with the bill.

My single biggest concern with the bill is that its bureaucratic and prescriptive nature and top-down approach may stifle rather than assist reform efforts which are already being undertaken at the State and local levels.

All over this country, States and localities are actively engaged in exciting and innovative reform efforts. They have undertaken these efforts without a great deal of Federal prescription, and I do not think that the Federal Government should infringe on those efforts or redefine what States should be doing.

In my own State, the Kansas State Board of Education has adopted a performance accreditation system designed to measure school outcomes in terms of student performance, rather than focusing on inputs which may or may not affect achievement. The State has developed its own math and communications assessments. A major new school finance equalization plan was adopted. In addition, the Kansas Legislature joined forces with the Governor to create a State blue-ribbon education panel to review and oversee State school reform proposals.

I also have a particular concern about the possible impact of the block grant program on teachers. I had the same concern about last year's education reform bill, S. 2. Looking at the bureaucracy that is established and the prescriptiveness of the State plan, I cannot help but believe that they will fuel a bureaucratic paperwork nightmare for teachers without providing many benefits for them or their students. I wonder whether parents and teachers will be enthusiastic about this legislation once its effects trickle down to our local schools.

I also believe that this bill inappropriately requires the establishment of State and local policy making panels outside those which already exist. We cannot legislate the kinds of individuals who are involved in schools on a day-to-day basis, nor can we regulate their day-to-day behavior. I also question whether it is the Federal Government's role to tell communities that the school board they elected is not good enough to make their education decisions for them.

Finally, I fear that this bill sets the stage for Federal involvement in the areas of standards and testing which are areas more appropriately left to State and local governments. I have never been comfortable with the testing provisions in either last year's bill or this one. The tests that really matter are the ones that are useful to teachers to help them diagnose student difficulties, assess student progress, or determine what to do next. I do not believe that the tests that this bill encourages serve those purposes, and thus, I have a hard time believing that they can contribute to an effective major reform movement as intended.

Provisions in the bill relating to the development of school delivery or opportunity-to-learn standards also open the door to future attempts to decide at the federal level educational "inputs" ranging from class size to teacher credentials. I do not believe that States should be encouraged to develop such standards in the image of the model national standards which will be developed by one small group, which may or may not come up with the best approach. Even though States are to develop their own opportunity-to-learn standards, the bill's ultimate goal is to have those State standards eventually mirror the national standards. This is a significantly broader, and I would argue intrusive, role for the Federal Government in education. Furthermore, to ask States to develop these standards in concert with the as-yet undeveloped national standards is to require a monumental task, given the lack of available research to show direct correlations between inputs and learning.

I look forward to listening to Secretary Riley and our other witnesses and I hope you all may be able to address some of these concerns.

I look forward to this morning's testimony.

The CHAIRMAN. Senator Gregg.

OPENING STATEMENT OF SENATOR GREGG

Senator GREGG. Well, this is the critical issue. This is what it's all about—the question of improving education in this country. And as a former governor, as the Secretary was, it is something that I concentrated a tremendous amount of time on.

I haven't seen the bill, other than what has been reported and what my staff has been able to glean in the few days that we have had it. I look forward to hearing the Secretary on the specifics of the proposals.

I guess my concerns remain what I think the concerns of most local school districts are going to be, which is at what level the Federal Government is going to intersect with the school districts and to what degree this is going to be a joint venture versus a top-down venture, and that we have some standards that are ascertainable and that if we are going to go to standards, that we have assessment that is legitimate and that is comparable from State to State and from school district to school district so that we are not being totally objective in the exercise but can actually find out where different school districts stand and how they compare to each other. And the goals, I think, are agreed to; they are at least agreed to by the Governors, during the Governors' conference, and I understand much of this package is a spinoff of the Governors' conference, in which the present Secretary played a role of significance.

So I look forward to hearing from the Secretary and hope that we can get on with doing something positive here.

Secretary RILEY. Thank you, Senator.

The CHAIRMAN. Mr. Secretary, just a minor point. We were dealing with the issue of "America 2000" under the previous administration, and you have "Goals 2000." I understand that one of the reasons is that you wanted to make sure that the people at the local level know that there is a continuity of interest, and to try to bring different elements together. That's just a minor point, but I think it is a pretty good reflection of the interest of the Secretary, a former Governor and someone who has provided such leadership in education and reform of education in his own State, and who is really trying to bring the different elements together.

We are delighted to have you here. This is the third occasion on which you have appeared before the committee, so no one doubts your commitment on this, and we are very eager to hear your comments.

Before we begin I have a statement from Senator Mikulski.

[The prepared statement of Senator Mikulski follows:]

PREPARED STATEMENT OF SENATOR MIKULSKI

Mr. Chairman, I would like to welcome Secretary Riley here today to tell us about this important education reform initiative that provides a framework for meeting the Nation's education goals and gives a boost to our ailing education system.

This bill establishes broad national goals for our school systems to work toward . . . like getting kids ready for school, tackling the drop out rate, and becoming the first in the world in math and science. It gives schools the necessary framework to assure that we're all moving in the same direction.

These goals allow schools the flexibility to develop and to try innovative methods of education. This bill is an important step toward improving all our schools and allowing us to borrow the best ideas from each other.

Mr. Chairman, I think it's important that all American children start school ready to learn. That's why I am glad this is one of the goals in this bill.

In Maryland, we have forged many partnerships in education and are in the forefront developing innovative ways to improve our educational system.

Maryland's Schools for Success program is aimed at comprehensive school improvement and reform. The support that Maryland could get from this bill would add the financial spark Maryland schools need.

With this bill, we're also making a commitment to improving our work force. The students of today are our scholars and work force of tomorrow.

I know this is supposed to be an education bill, but it's also a jobs bill.

Right now, we know that 25 percent of current jobs will disappear before the end of this century—they just won't exist any more. What jobs are these? They're the jobs that don't require a high school diploma.

Mr. Chairman, one of the goals of this bill is to increase the rate of high school graduation. This is critical to our Nation's well being because our jobs are at stake. Our students must stay in school in order to compete for the high tech jobs that will take the place of the lost jobs I just spoke about.

Making our students number one in the world in math and science is another goal in this bill. I know we can do it, but we need national commitment and focus.

Goals are important. They keep us focused on our future, the future of Maryland's students, and the future of students all across America.

We're in a war for America's future and it's time we stop talking about the need for school reform and instead actually do something about it.

STATEMENT OF THE HONORABLE RICHARD W. RILEY, SECRETARY, U.S. DEPARTMENT OF EDUCATION, WASHINGTON, DC.

Secretary RILEY. Thank you so much, Chairman Kennedy, Senator Kassebaum, and other members of the committee. I do appreciate this additional opportunity to discuss with you today the President's education reform bill, "Goals 2000: Educate America Act."

The last time I was here, we talked conceptually, really, about the legislation that was being formulated. Since then, we have received advice and suggestions from all types of individuals and organization, many of you and your staffs as well, and based upon those comments, we attempted to strengthen this legislation.

Increasingly, our students are growing up in a world in which what they can earn depends upon what they can learn. In this technological age and international marketplaces, communities, States and countries that better prepare more of their students will have the edge—they will have the jobs and the quality of life for which they hope.

Unfortunately, too many of our students in America receive a watered-down curriculum, and for far too many of our students, we have low expectations. Many other countries against which we compete for jobs expect all of their students to take challenging academic and/or occupational course work.

We cannot afford to leave any single student behind. Students must know well a variety of subjects, from chemistry and foreign languages to geometry and the arts, and from English and geography to history. Many more students must be competent in both academic and educational areas as the world becomes smaller and smaller and more immediate.

If we don't meet the challenges, then we face, as futurists say, an unacceptable future for many of today's children and many of our communities. The "Goals 2000: Educate America Act" is about our first step as a nation to make an acceptable, brighter future for America's children and youth in a very comprehensive, cohesive way.

Several weeks ago, we released the math results from the 1992 National Assessment of Educational Progress, NAEP. While progress was made from 1990 to 1992, far too few students reached the higher performance levels, and the gap in performance between students of different racial/ethnic groups remains unacceptably large.

It did appear, however, that students who took more difficult courses, who did more homework and who watched less television performed better on the NAEP exam. Early signs are that the more challenging math standards and curriculum recommended by the Nation's math teachers will make a positive different in student performance.

The National Education Goals focus on the need to challenge and help all children, regardless of their circumstances, to meet high standards. That is why putting the goals and the bipartisan goals panel in formal Federal policy to monitor and report on progress is so important and is part of this "Goals 2000: Educate America Act" legislation.

To achieve these goals will require a fundamental overhaul of our education system. Partnerships will be needed between our schools and parents, educators, community groups, social and health agencies, business, higher education, and early childhood services.

At the federal level, we can best help by supporting local and State reformers and motivating, leading and providing information and incentive money for State and local communities that are looking for ways to improve. The "Goals 2000: Educate America Act" is about changing. It is designed to expand the use of challenging curricula, instruction, and assessments geared to world-class standards, and to do that for all students.

The "Goals 2000: Educate America Act" will help to identify voluntary internationally competitive standards. Studies often report that American students don't do as well as students of other industrialized countries. Yet, currently, we have no way to provide educators, parents, students or policymakers throughout our Nation with information about the content and rigor that students in other countries study and to match this information to our own American expectation for our students. Students, teachers, parents, communities and States can use these voluntary standards developed by the National Education Standards and Improvement Council to judge their own performance.

Similarly, we don't have information available about what constitutes internationally competitive opportunity-to-learn standards. Through the "Goals 2000 Act," voluntary exemplary opportunity-to-learn standards will be identified in essential areas related directly to teaching and learning, such as the quality and availability of curricula and materials and professional development of teachers to deliver this higher content. This information will be made available by the National Education Standards and Improvement Council. Again, how can we compete internationally if we don't know what we are competing against? "Goals 2000" will give us that voluntary information.

Let me discuss briefly opportunity-to-learn. In the sixties and seventies, most emphasis on education was on inputs and counting quantity. In the eighties, there was growing interest in results and quality. In my own State of South Carolina, our education reforms probably had a greater results orientation than almost any State in the Nation. Yet we, like this legislation, did not ignore the essentials of teaching and learning—preparation of teachers was important to teach tougher content.

The existence of standards alone, though, will not change our schools. The "Goals 2000" legislation will challenge every State and every community to develop comprehensive action plans to overhaul their schools so that every student and every school can reach these challenging standards. It will activate the forces of reform which must occur in classrooms, schools, school districts, college, and local and State governments. It will help sustain broad-based, grassroots efforts of parents, educators, business, labor and citizens all to provide every student the opportunity to reach these standards.

These changes should not be just for the sake of change, but to achieve greater levels of skills and learning for all students—levels that are internationally competitive in academic and occupational areas. Students and schools will work harder and smarter if they are given the challenge and the opportunity.

The "Goals 2000: Educate America Act" builds upon lessons learned from local and State education reform efforts in the past

10 to 15 years. Unfortunately, these reforms have been fragmented, disconnected, and often not sustained. But these efforts have taught us that education reforms are more likely to work if they are comprehensive and systemic, the pieces fit together like a puzzle; if they focus on challenging curricula and better instruction for all students, to help many more students to reach higher standards; if they provide teachers and principals with new professional development opportunities, to deliver the challenging content and work with diverse student populations; if the involve more educators, parents, communities and business with school improvement efforts; if they are long-term, phased in over 5 to 7 years; if they have State assistance to encourage bottom-up local classroom innovation and school site planning; if they have accountability based on results, and if they provide for greater flexibility to encourage innovation and new ways of organizing the school day and the school year.

The local and State improvement plans under "Goals 2000" will begin to address changes that best meet each school's, community's and State's unique circumstances. Almost 94 percent of the funds authorized for this Act in 1993—$393 million out of $420 million—are dedicated to these local and State purposes.

"Goals 2000: Educate America" is only a first step, but it is a critical first step to start America down the road to renewal in education. We need major new investments in early childhood and infant and national health as the President has proposed. The Elementary and Secondary Education Act and the Office of Education Research and Improvement need to be reauthorized. We in the Department, like you, are reviewing and reevaluating every part of ESEA and OERI to revitalize these important programs and to help disadvantaged schools reach challenging standards. We need to have a new school-to-work transition, a youth apprenticeship program. In addition, I understand that Secretary Reich will provide you with more detailed information should you need it regarding the National Skill Standards Board in this legislation.

As you know, the United States, unique among our competitors, lacks a formal system for developing and disseminating occupational skill standards.

This bill does not force a one-size-fits-all approach to education reform upon States and communities. The standards and guidelines in this legislation are voluntary, but they invite the reinvention of schools to help more students meet challenging standards. The actual reforms must come from the bottom up. It is the local communities, the States, the business, the citizens, the parents, the teachers, and the students who will make reform work.

It has been 10 years and 8 days since the report entitled "A Nation at Risk" was released. We have learned much about education reform since that time. It is time to apply these new lessons across the land. The "Goals 2000: Educate America Act" will help do that.

The challenge for us is to lead, Mr. Chairman, and to act here in Washington, and the challenge is great. The challenge for educators, parents, and students and the public all across America to revitalize and reinvent our schools is great.

In closing, we talk a lot about the year 2000 as if when we arrive there, our goals will all of a sudden be met, without our having done anything to reach them. I think it is time to realize that to provide national leadership to invigorate school reform across America focused on high standards is extremely important for us all. The "Goals 2000: Educate America Act" is an honest and bold step to make this happen.

We need your quick attention to move it forward. I really think in terms of education in this country, the clock is ticking. Thank you.

The CHAIRMAN. Thank you very much, Mr. Secretary.

We'll have 7-minute rounds for questions, and I'll ask staff to keep the time.

I thank you for an excellent presentation, Mr. Secretary. As I understand it, first of all, the emphasis is on voluntary; these are going to be voluntary standards, with nothing being required. As I understand this, the opportunity-to-learn standards which get into, for example, the level of training of a teacher, the number of students in the classroom, and those kinds of issues. Obviously, we have a concern that if a child goes to school hungry, he is not going to learn, but basically what we are talking about here is an assessment of the school itself.

Then we have the content standards—for instance, in history, the facts that the student would need to know about American history, or facts about division or algebra if we're talking about math—so it would be those basic and fundamental facts.

Then the third aspect is the performance standards, or how much a student must know.

Overall, we need to know what is going to be in that classroom so we can have a fair kind of evaluation of that; we have what we are going to expect the student to know, and then we have the development of how we are going to assess whether the student really knows that material. Is that generally conceptually what you are trying to do—and to permit States, if they want to develop those kinds of standards on a voluntary basis, and if they do, they are going to be encouraged by the Federal Government; or, if they want to use the Federal standards, they can use those. Am I generally in the ball park?

Secretary RILEY. Senator, you certainly are. Of course, the national goals are really the things that we are moving toward. The standards, as you say, are not required. What is required is that a State address content and performance standards, and that a State address assessment and that a State address opportunity-to-learn standards, that is, what makes for better teaching and learning. That is required if they participate in the action plans.

The Federal Government then, on the national level, would be developing these enormous consensus of what are the proper standards for content and performance, as you indicate, and those really are the world class standards that, hopefully, the States would move toward. At some point in time, of course, States could come on a voluntary basis and ask us to look at their standards and see if they are consistent with the Federal standards; if so, we would certify them.

The CHAIRMAN. I think it's important for people to know that the States don't have to take this money, do they?

Secretary RILEY. No.

The CHAIRMAN. All we are trying to do, as I understand it, is say that if they do, because the citizens and the communities really want to strengthen their education, that there has to be some kind of accountability, and instead of using the old means of what used to be in terms of accountability, what you are trying to do is really make a determination about what a young child is expected to know and then an assessment of whether that child knows it—and to have it done in a way which is consistent with the State interest and consistent in a way that people across the country would understand. Am I correct?

Secretary RILEY. That's exactly right, and that would be going on in the State, and that is the responsibility of the State, and the national effort would be kind model information that we would be arriving at, hopefully, then, pulling everybody in that uplifting direction.

The CHAIRMAN. My time is moving along. Let me just ask you a question similar to one from my friend from Illinois, Senator Simon, asked at an earlier hearing. Could you briefly walk us through how this legislation would impact a poor school district or a poor school that is attempting to improve the educational accomplishment and achievements for the students in a major urban area in the United States?

Secretary RILEY. First of all, it is a standards-driven measure which would automatically begin to raise expectations for all children. The whole concept of the bill, as permeated through it, is that all children can learn, and it is a process then of raising expectations for children to start with. We aren't going to have some watered-down curriculum for some, and some touch curriculum for others.

So in a school that is in a poor area with disadvantaged kids, it is frankly going to mean an awful lot to them to begin by saying we in this country expect you to do quality work and have high-level standards.

Then, the opportunity-to-learn standards would be looking at the State, and the State would be looking at the school district, and the school district at the school, and they would be determining whether the teacher there had the proper opportunities for professional development to be handling a diverse class, a class that had various levels of capacity and background support.

So that is part of it, pulling the community together, getting parents involved, getting businesspeople involved—all of the outside support would be part of it—providing the tools, then, through this action plan to make this case for the local decisionmakers of what is needed, if you see what I mean. The great proportion of funds and resources come from local and State sources, 94 percent or so. So this would give them direction as to better teaching and learning for all students in their particular areas.

It would provide a framework, then, for channeling, say, Chapter 1 funds, using the other programmatic resources of the Federal Government to move into those areas to help with that. A portion of the bill, 6 percent of the funds, go for specific purposes knocked down through the State action plans. Of the 6 percent, half of it goes to large urban areas and small rural areas for special competitive projects to have a special impact; and then half of it would be at the discretion of the Secretary of Education, to deal with moving things around to specially help in a national way various things—if something is being done in Massachusetts that would work well in Miami, then we would have the facilities to develop those plans and to promote that in other areas—those kinds of things.

The CHAIRMAN. Thank you. My time is up.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

Mr. Secretary, I certainly can't quarrel with your mentioned of needing to have a more challenging curriculum, and that we have lowered our expectations of students. You talk about guidelines, and about a comprehensive and systemic effort with the pieces fitting together like a puzzle. Those are all very important, but as you know, I have raised some concerns about section 306, the State improvement plan, because there are 12 pages of rather prescriptive language regarding the implementation. Some of it may be repetitive—I am not quite sure how it all works—but I am really very concerned that with this language, we could be taking away some of the flexibility that may be necessary. This being very prescriptive language it seems to me to be more top-down-oriented than bottom-up. We could lose vitality that I think, is very important in a local district and in a local school board.

I believe, it is really far more State-driven than local, and under the umbrella, of a very prescriptive nature for the State improvement plans.

Is there any thought that we could perhaps take a look at some of this language and refine it more, or is this something that, through your consultations, you believe is absolutely essential language?

Secretary RILEY. Senator, certainly, we could always take a look at the language. I think I feel your sentiment, and I hope it is not bureaucratic, although it is a piece of proposed Federal legislation which involves the bureaucracy, obviously. But if people out there in the States and the school districts and the schools are going to get involved in education—and as you know, there is a lot of involvement in some areas, and in some areas there is very little; it is kind of a fragmented system now—they have to be involved with someone. And today, if you don't have, then, the creation of these panels and councils of citizens out there in the States and local school districts, the only people they can be involved with are the bureaucrats. This is a way to open up involvement, and you have to have some structure for that or you end up with everybody harum-scarum out intentionally trying to do a good job but not focusing in on the whole system.

What we have tried to draw up, really, is this opportunity for involvement, and it does then cause panels to be built on various levels, but it also requires citizens, business, labor expertise people to be involved who are outside the government in most cases.

Senator KASSEBAUM. And wouldn't you agree that in many areas, that is occurring now?

Secretary RILEY. Yes.

Senator KASSEBAUM. We have seen a lot of innovation taking place, again, much of it coming from the local level. Like you, I am a strong believer that if you have a stake in what is happening, you are going to care far more about what takes place, and I think that is why local school boards are terribly important in all of this. And while there are times that we may all feel that they are too intrusive, they are the elected members of the community who are there to represent the community in education efforts. I just worry a bit about the State apparatus expanding more at the loss of flexibility and a voice at the local level.

Now, perhaps you feel that will not take place. I think whenever things tend to get overly prescriptive, there is a danger, though, that you lose that flexibility and the local vitality.

Secretary RILEY. Well, I think you need to be careful about that, and sometimes we mix up the term "statewide" with "top-down." If we are talking about something being "statewide," we mean bottom-up but statewide, and that sometimes is misinterpreted.

There is a book written by Bill Chance from the University of Washington, who did an analysis of what worked and what did not through the eighties, looking at various States. He defined what he thought worked best—and he looked at a lot of different States—and it was what he called the "T" formation. He said the top of the "T" is kind of a statewide consensus, not State officials, but State leaders—business people, educators, government, people who are leaders statewide. And then the leg of the "T" was the up and down involvement in the local level feeding into that system. But with the States' full responsibility for the education function and the way we do things, you do have to have State leadership, it appears to us, to make it work best. That is not to say you can't have a local region doing something on their own, and that happens all the time in a local school, PTA or whatever. But if you are going to have a system that works well, you do need to have the State leadership and then absolute help coming up and down.

The involvement from the bottom is not being monitored as much as it is providing information to the system, and that is what you are talking about, and that is what I like, and that is what I think this would clearly develop.

Senator Kassebaum. I've gotten a note, Mr. Secretary, that my time is up. Thank you very much.

The CHAIRMAN. Thank you very much.

Senator Wellstone.

Senator WELLSTONE. Thank you, Mr. Chairman.

Mr. Secretary, first of all, let me thank you for your work. I really have a tremendous amount of appreciation for this effort.

I'm going to start with the same question of what will this do for a child in East St. Louis, or for that matter, East L.A., or for that matter, in rural Minnesota. But ratner than leaving it at a general level, what I want to do since I have 7 minutes is to put three questions to you that I think are interrelated.

First, I am really pleased that you are putting the focus on opportunity-to-learn standards. In other words, if we are going to talk about curriculum standards, then we also want to talk about opportunity-to-learn standards. They have to go together, and I think we agree on that.

Secretary **RILEY**. Absolutely.

Senator **WELLSTONE**. So my first question is to what extent in the list of issues that you are addressing on the opportunity-to-learn standards have you considered financing and school facilities? In other words, it seems to me that built into opportunity-to-learn standards have to be schools that have resources and schools that are decent facilities, without rats running around, so that the children can learn. I want to know whether that is worked into the definition of opportunity-to-learn.

The second question I have is do you think that the opportunity-to-learn standard ought to be developed along the same time line as other voluntary national standards. I guess what I'm really trying to say is that my position is that it should. It seems to me that the two go together, and therefore built into this legislation, they ought to be developed at the same time.

And the third question I have is you talk a lot about grassroots, and I know you are absolutely committed to it, and I am just interested in whether or not under this bill, grassroots organizations at the State level actually have the opportunity to be involved in the school reform effort.

I think you see where I'm heading with this. I understand the curriculum standards as a former teacher, and I know they are voluntary, but I think there have to be opportunity-to-learn standards. I want to know how that's defined, and where does finance and the lack of equity in financing school facilities fit in; I want to know whether we are going to develop the standards at the same time, and then finally, I want to know where people at the State level fit in.

Secretary **RILEY**. Senator, the first question, dealing with opportunity-to-learn standards and how they impact resources and facilities, and how far do you go with that, of course, you can go as far as you want to or not at all. We feel like—and we have talked to an awful lot of people, have talked to you and have talked to others, and staffs have been working together——

Senator **WELLSTONE**. And I thank you for being very inclusive. I ask these questions out of respect and real interest in what you are doing.

Secretary **RILEY**. I know you are, and I appreciate that. Where we think the proper place to be on that is that opportunity-to-learn standards should—and in this bill, do—deal with teaching and learning. Now, you can get into the resources issue and into the facilities in just about every school district, and you can say, well, you won't get these Federal funds to help you develop systemic, comprehensive reform unless you have some major tax increase and build buildings, and so on—this is not that. This says simply that a State, and then the State says to the school districts, and the school districts say to the schools, you must put as a priority good teaching and good learning, consistent with going in the direction of high standards for all children, and then a form of an assessment to make sure that's working. That is basically it. It is a State-driven system toward high standards, but it is reaching for these national goals, with work on the national level to have the goals, the standards and so forth to reach for.

So the answer, I would say, is it is our judgment and feeling that centering in on teaching and learning—and no one can argue about that; if you have a priority of good teaching and learning in a State or school district or wherever, you are on the right money. It isn't something that divides people; it is positive, it is always right, and it is what we think is the way we should go on opportunity-to-learn standards.

Then, the time lag issue, again, gets into a question of Federal-State issues. The requirement certainly is there, if the State takes the money, that they deal with these issues, that they have their own State plans.

Then, how does that link up with the Federal certification? Hopefully, States would want that. Hopefully, that would be perceived as a real goal for a State to move toward. We wouldn't be ready for that for a couple or 3 years in a lot of cases. But then, say that should happen—then the question is do you have to come with all three things at one time; would you have to come with your opportunity-to-learn standards and your content standards and your assessment? We fell on the side of, again, a State decision. The State then can decide—it is purely voluntary—to try to have their content standards certified, their assessment certified for certain purposes for the first several years, and the opportunity-to-learn standards certified. They can come for all three, they can come for two, they can come for none. We are going to try to provide the leadership where they will want to raise their standards and reach up.

The assessment issue—a lot of people are very concerned about having, then, a certified test not connected to opportunities to learn—that if you are testing somebody on 9th grade algebra at the end of 9th grade, and the 9th grade teacher didn't know the algebra content, it is not fair to assess that child on that basis.

The way we handle that in South Carolina is we came up with an exit exam. I didn't used to favor that because I was afraid it would be unfair to black kids who came up through a different standard of education. Thank God, that has worked toward being straightened out—certainly, legally, it is straightened out—in education. We gave them, though, 5 years. We said everybody, in order to get a high school degree in South Carolina is going to have to pass a test, but you don't have to pass it this year; you start in the 9th or 10th grade, and you take the test, and then the first year, I think it was 55 percent of the kids passed the test. By the time they got to the 12th grade, they were advised where their shortcomings were, and if math was their problem, they had special help with math while in high school. Ninety-five percent passed the test when they got through the 12th grade, and that is kind of how we hoped this would work, and that is to say to a State you have to be working on content, you have to be working on opportunity-to-learn, you have to be working on assessment if you are coming into this program. It is a partnership. It is not controlled, but it is driven by high standards. And then, if you want to have your assessment certified, you can have it certified for all the purposes in the world—and they are set up in here—except passing or retention or whatever—that impact the child himself. You can't do that until you have ample opportunity to work with these opportunity-to-learn standards.

Senator **WELLSTONE**. Mr. Secretary, I am out of time, and I thank you. Let me just say that I look forward to working with you. My fear is that if there isn't some pretty strong language about opportunity-to-learn standards being developed at the same time line that we will have a further retreat from equity, and as you well know, I am very concerned about these equity issues. I can't go on, Mr. Chairman, because I will take too much time, but I think you know what I'm talking about, and I hope you will keep that in mind.

Secretary **RILEY**. We will do that, Senator.

Senator **WELLSTONE**. Thank you.

The **CHAIRMAN**. Senator Coats.

Senator **COATS**. Thank you, Mr. Chairman.

Mr. Secretary, in evaluating the administration's proposal, I think there are a number of positive elements here. However, I am concerned that in attempting to reform a system that I think we all agree needs reform, this legislation would do so by layering additional levels of bureaucracy and administration. It is important to note that while institutions around the world are determining that they are top-heavy administratively, and therefore are taking very painful steps to reduce that administrative burden, this legislation seems to be moving in the other direction. This proposal establishes councils and various bodies to issue some sort of checklist which State education institutions and local education institutions have to meet in order to qualify for grants. We must ensure that our reform efforts aren't just adding additional paperwork and additional administrative burden upon teachers and schools at a time when there seems to be a crying need to direct more funds into the classroom, to give the teacher and the local school more flexibility and to provide more competition within the system.

IBM, Xerox, General Motors and everyone else are finding that in order to be competitive in an increasingly competitive world they must trim down and eliminate a lot of administrative bureaucracy. It seems to me that education is a similar institution which is now competing in a global market, and that streamlining administration is a desired goal.

I wonder if you could just comment on that and give me some ideas on your thinking along those lines?

Secretary **RILEY**. Senator, first of all, I don't see any checklist mentality here. We do have the provision for panels on the State level and then on the school district level under the State design. And those panels are designed to involve people; they are involvement panels. And if people are directed toward building a strong, cohesive education system with all kinds of community, statewide and local involvement, you do have to have some structure there for the people to go to, or they don't have any other structure than the government. It is government involved in getting people involved.

And you have to really remember that the $393 million that we are talking about out of $420 million—almost 94 percent of the total—goes down to the State, and then after the first year, 85 percent of that goes down to the school district; and then 85 percent of that goes to the individual schools. And the purpose of that and the way that is designed is to take care of exactly what you are talking about—to make sure we don't have any giant bureaucracy built up on a State level or whatever, but push the action and the action funds down to the actual school. And every school, then, would be working on a cohesive system with these standards.

Senator COATS. My concern is that to qualify for the grant under the block grant, the State has to develop a plan which then has to meet the criteria developed by the implementation council—is that what it is called?

Secretary RILEY. Yes, that is right, but your State could be totally different from my State, if you see what I mean. The requirement is that it be comprehensive, that it hang together, that it make sense, and that it have some reasonable interpretation of being successful and so forth. But it is not a checklist of what is in there; it is your own State's approach to this systemic comprehensive reform.

Senator COATS. My understanding is that the bill allows flexibility for choice within the public school system; is that a correct interpretation?

Secretary RILEY. That's right; and charter schools and magnet schools.

Senator COATS. But it would not allow any experimentation in choice outside the public school system; is that accurate?

Secretary RILEY. That's right. It does not involve tax dollars involved in private school vouchers.

Senator COATS. Is the Department looking at any demonstrations of choice that operate outside the public system?

Secretary RILEY. Senator, I don't think I could honestly say we are looking at that. I read what comes across my desk, and so does my staff. We do have a private school office, as you know, within the Department, and meet frequently with representatives from private schools and private colleges. So we are very much interested in all children in the system——

Senator COATS. Are you evaluating the results that we are getting out of, let's say, inner-city private schools dealing essentially with minority students, in comparison to a public school dealing with the same cross-section of students?

Secretary RILEY. Mike Cohen, Mr. Chairman, who is one of my special assistants, informs me that research is being done in OERI on that issue, and we are following what is taking place there.

Senator COATS. Well, I would encourage you to do that. As you and I discussed at the last hearing where you testified, there are some outstanding examples of inner-city schools reaching out to inner-city minority students at a cost significantly less—up to two-thirds less—than what is provided on a per-pupil basis in the public schools. Single parents and minority parents are begging to get their kids into those schools; they are making enormous financial sacrifices to do so—it is a small dollar amount, but for them it is an enormous sacrifice.

So I would hope that you would study this issue and find out what these schools are doing, at far less cost, that is producing within parents an immense desire to give their children an opportunity for an alternative education situation. I would certainly be interested in the results, and I would encourage the Department to study this matter.

Secretary RILEY. Thank you, Senator. Of course, my hope is, and I really do think if this legislation is passed, and we really get the kind of leadership that I would hope—bipartisan leadership, and the very top of this structure, as you know, is bipartisan across the board—I would hope that we would have the same kind of excitement and interest in every, single public school out there that you observe in certain private schools. And that's the same kind of competitive spirit within the public system, and that is what I would hope we move toward.

Senator COATS. Well, I hope we can, too. My time has expired, but I have just have real questions as to whether or not we can achieve educational reforms within a single system that is competing with itself and not competing with an alternative. It is like telling GM, "You aren't going to have any competition from Honda or BMW or any other car maker—just reform yourself—you've got the whole market—just reform yourself." I really question whether we can do that without competition from outside the system.

My time has expired, and I appreciate your remarks.

Secretary RILEY. Thank you.

The CHAIRMAN. Mr. Secretary, this committee has gone into that issue over a long period of time, and we aren't going to take the time now to talk about the disparity between the public and private schools in inner-cities. We do have differences here on the committee, and we have gone through them at very great length.

Senator Dodd.

Senator DODD. Thank you very much, Mr. Chairman. First, I'd like to ask that my statement be included in the record.

The CHAIRMAN. It will be so included.

[The prepared statement of Senator Dodd follows:]

PREPARED STATEMENT OF SENATOR DODD

Mr. Chairman, it is a pleasure to welcome Secretary Riley to our committee once again, as well as our other witnesses who have come to share their thoughts with us on the Goals 2000: Educate America Act.

As we daily grapple with the issue of the health of our economy, we cannot overlook the critical importance of education. More than anything else, education is the foundation of tomorrow's economic growth.

And it is clear that our schools and our children are in desperate need of help. Nearly 20 percent of children live in poverty. In 1991, 35 percent of kindergarten students came to school unprepared to learn. In some States, as many as one out of five students repeat first grade. In my State, 9.2 percent of our 16 to 19 year olds are drop outs. Fifty percent of high school graduates never attend college.

These problems are not new. In the late 1980s, the Nation's Governors and former President Bush came together and identified the six national education goals and set the year 2000 as the target date for meeting these goals. The year 2000 seemed a long way off.

There was time to improve school readiness, student achievement and completion, time to make students first in the world in math and science, to enhance lifelong learning and to assure students of safe, disciplined and drug-free schools.

Yet, here we are in May of 1993, just 6½ years shy of our target date. While the goals have become widely accepted, we are making little progress nationally toward meeting them. There is little agreement on what exactly they mean to students and teachers, on how we will measure progress and how we will actually reach the goals.

Goals 2000: Educate America Act codifies the National Education Goals and then moves beyond them to offer schools across America real help in reaching the goals through a program of State and local systematic improvement grants. Each State is invited to develop a State improvement plan to meet its own unique needs. Plans will also be developed at the local level to make meaningful changes in local schools. These plans will be developed with the assistance and participation of parents, teachers, business and community leaders, and others in the community.

Goals 2000 also builds a framework for measuring achievement in the establishment of the National Education goals panel and the National Education Standards and Improvement Council. It is clear we cannot expect our children to meet high standards of achievement unless we define what those standards are. The National Education Standards and Improvement Council will work with experts in the field to identify the elements of world class content standards in English, math, science, foreign languages, arts, history and geography. The Council will also develop opportunity to learn standards which will help measure the ability of our schools to provide students with a world class education.

In addition, this legislation promotes the development of a system of national skill-based standards and certifications to serve as a cornerstone of the national strategy to enhance work force skills. These standards are a natural complement and will help guide those seeking meaningful vocational skills.

Mr. Chairman, it seems to me this legislation is long overdue. I look forward to hearing today's testimony and to moving this legislation forward quickly.

Thank you.

Senator DODD. Mr. Secretary, I welcome you here. Let me just pick up on the comments of Mr. Coats—because the chairman is correct, we certainly have debated that the issue of school choice at great length here, and I presume will continue to do so—but I think Mr. Coats' comments highlight a point, and it has much to do with what you are striving to do with this legislation.

I think the primary reason that parents are seeking alternative educational situations for their children is because of their deep dissatisfaction with the alternatives being provided for them at the public school level. That's all. It isn't because they want to spend more money, or because they are fundamentally or philosophically opposed to public education. They are unhappy about what is happening in the public school system; hence, this effort. And I think if we can do something to improve schools, then a lot of the concerns raised by those who are legitimately worried about the educational future of their children will be significantly minimized, and I think you are trying to do that with this effort.

It is certainly no mystery that there are problems in our schools when you see that some 35 percent of our students entering kindergarten are totally unprepared for the educational experience; one out of five students have to repeat the first grade in an awful lot of States in this country. Fifty percent of our high school students don't go on to any higher education experience whatsoever. In my State alone, 10 percent of all 16- to 19-year-olds are high school dropouts. And in the last decade, we have seen fatalities among children under the age of 18 increase by 93 percent—that is murders. The adult rate has dropped 10 percent in that same 10-year period. One out of five children bring a lethal weapon to school every day, and somewhere between 100,000 to 150,000 students bring guns to school every day in this country—every day.

So I think it is the condition of the school environment which creates fear in parents about what is happening or could happen to their children every day in school, let alone content reforms and the rest that we talk about in all of this.

So I am deeply sympathetic to the direction you are moving, and I think we sometimes get bogged down fighting on the perimeters here instead of looking at the central question of what causes people to loose faith in the public educational system in this country.

I would like to just raise the issue with you of violence. My subcommittee as part of this full committee, with the support of the chairman and others, has now held three hearings on youth violence. There is a stunning increase in the incidence of violence. We have offered some legislative ideas, and I know that you have tried to incorporate some of these ideas into this and other legislation that has been or will be introduced particularly the reauthorization of the Drug-Free Schools and Communities Act, but I wonder if you might talk about this issue.

We are setting standards here for achievement and content and a lot of other things, but it seems to me that the focus also should be on the goals which at the most basic level make it possible for kids to be able and willing to go to school every day. It is one thing to worry about whether they have learned anything when they come home it is another thing to wonder whether or not they'll come home, or if they will come home stabbed or shot.

So I hope that when we are looking at this, we might raise those at issue, because frankly, violence is growing at a staggering rate, and it has got to be addressed, because it goes to the very heart of the question that the Senator from Indiana has raised, in my view, and that is people's lack of confidence in the system.

Secretary RILEY. Senator, I absolutely agree with you, and every time you hear those numbers, it really shocks all of us, especially those of us who are pondering about how to reach high standards. And to think that young children are really in fear of their lives, running into the schoolyard, and then to turn to those children and expect them to be thinking about working harder to reach high standards, it really is a question that makes you ponder in a serious way.

I would say that this whole measure leads to these goals, and Goal 6, safe, disciplined and drug-free schools—"By the year 2000, every school in America"—every school— "will be free of drugs and violence, and will offer a disciplined environment conducive to learning."

That is a goal that will be very, very hard to reach, but I will tell you that for every school where we don't reach it, we are not going to reach any of these other goals. And that is what we all need to center in on.

We have recommended some $75 million in the 1994 budget, with all the targets and strains we have on it, to go to the safe schools effort. If this is passed as the policy of this country through this "Goals 2000" measure, that will be a goal in terms of education for this country, the very thing that you and the Senator are talking about.

Senator DODD. As I understand it, there are six goals here, and ending violence is one of them.

Secretary RILEY. Yes, sir.

Senator DODD. It is listed as one of the six?

Secretary RILEY. This is the goal itself: "By the year 2000, every school in America will be free of drugs and violence, and will offer a disciplined environment conducive to learning."

Senator DODD. Oh, I apologize.

Secretary RILEY. It is exactly in tune with the concern that you raise.

Senator DODD. I am glad to hear you say it, and I would hope we could look at some ways in which to meaningfully try to reach those goals. One of the ideas—and I would encourage you to take a look at is a bill I introduced "Child and Family Services and Law Enforcement Partnership Act"—some of the titles of these bills get a little long—but it is based on a partnership that was developed between the Yale Child Study Center and the New Haven Police Department in Connecticut. The Yale Child Study Center is a wonderful group of people, and we have done a lot of work with them. They have been very successful. This project is all part of this notion of the community policing concept, which has worked well with children especially when coupled with a prevention efforts and training in conflict resolution.

So I would urge you to take a look at that legislation. We would be very interested in the administration's comments on it and ideas and suggestions, and possibly—and I haven't raised this with the chairman on my own, so I am a little hesitant—but the possibility of maybe incorporating this idea in future legislation as a way of setting up one example of what might be done to try to work toward that stated goal of reducing drugs and violence in schools.

Secretary RILEY. We will certainly be back in touch with you about that, Senator.

The CHAIRMAN. A lot has been done with the metal detectors, but one of the very interesting studies indicates that in schools which have comprehensive health services, there has been a very significant reduction in violence and guns. So we've got to be creative in terms of how we deal with a lot of these complex issues, and that is an interesting finding.

Senator Jeffords.

Senator JEFFORDS. Thank you, Mr. Chairman. I'll be brief.

I have had an opportunity to discuss at length with the Secretary most of the matters that I'm sure have been discussed here, and

I am sorry for being absent during most of your testimony, but this is one of those times when I am ranking on two subcommittees, and they are both meeting at exactly the same time, the other one on Sudan, a very important problem in Africa.

I would like to ask you, though, one question. I understand that you have a school-to-work initiative in the wings that is going to be coming in, I hope, sometime soon. But I note that there is no mention in the goals of a school-to-work goal in the sense of trying to solve some of the problems that we have in our schools now with young people not being ready for work, or sufficiently oriented toward the work force in their educational endeavors.

Secretary RILEY. Senator, Goal 5, which deals with adult literacy and lifelong learning, deals with competition in the global economy and citizenship and those kinds of things. The objective that is listed under that, which is part of this bill, does say that "every major American business will be involved in strengthening the connection between education and work." That is part of this, and then, "All workers will have the opportunity to acquire the knowledge and skills," and so forth.

So while the goal is not as clear as perhaps you and I might want to make it, really, the country is focusing in on that, and I am glad we have. The objective under that goal, of lifetime learning and adult literacy and so forth, is very clear on the points that you mention.

Senator JEFFORDS. Then you would have no objection to making it a little clearer as far as the linkage?

Secretary RILEY. Absolutely not, absolutely not.

Senator JEFFORDS. All right. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

Let me see if I understand this, because again, I haven't had a chance to look at it in-depth; I have just been perusing the bill here. But as I understand it, there is a goals board, and there is a goals criteria council, and the council develops the criteria and gives it to the goals board, and the goals board confirms it. And in order for the States to obtain the grants, they must basically have in place State implementation programs, or be proposing State implementation programs, that meet the criteria set out by the criteria council, which council's criteria has been confirmed by the goals board. Is that correct?

Secretary RILEY. No, sir, it is not. The requirement on the State to become involved in the partnership is that the State have its own plan. There is no connection—and that is why there is an awful lot of misunderstanding out there—there is no connection between what is being done on the national level and what is done on the State level. As the national level is determining what world-class standards are and the various things they are charged to do on that council, and the panel, they are developing these kinds of standards, and the State's involvement with that is purely voluntary—and of course, it wouldn't be immediate because we don't have the standards developed. That would be some time. So all the State has to show is that it has as a State its own comprehensive plan to deal with content, assessment, opportunity-to-learn, which is teaching and learning.

Senator GREGG. So those two aren't connected; they are disconnected, those two?

Secretary RILEY. They are disconnected. And that has been debated, as you know, quite a bit back and forth.

Senator GREGG. For the States to qualify, then, they have to meet the specifics of a State implementation program, the test of which is defined from approximately page 41 through page 54 of this bill, with each paragraph starting off with the statement, "Each State shall establish strategies for improving education," for example, or "Each State shall establish strategies for doing this and that," and so on—those are the specifics of what the State has to do in order to qualify for these funds?

Secretary RILEY. The list is suggestive. Each State plan shall——

Senator GREGG. Well, how can it be suggestive when it says "shall"—"each State plan shall describe strategies"; "each State plan shall describe strategies"—"shall" is not a suggestive word from the Federal Government. You know that, Governor.

Secretary RILEY. And it has the language, "such as," and then it lists these things—are we reading from the same place?

Senator GREGG. Yes. We can read that just about anywhere. "Shall" is not a suggestive word.

Secretary RILEY. But it says you "shall" do this, this, and this, "such as" this, this, and this. In other words, you define your own. This is an example, but it doesn't say exactly as this. You do your own plan, and it is "such as" this. That's what it is intended to say.

Senator GREGG. Well, you would have no problem, then, with removing the word "shall" from all those phraseologies, and just saying "such as," instead of having the word "shall" in there—"the State's plan such as the following"?

Secretary RILEY. Well, we certainly wouldn't mind looking at this language; however, you want to have the framework, you want to require them to deal with these issues. That is all——

Senator GREGG. Now, "require" and "shall" coming from the Federal Government mean you'd better do it or else you don't get the money. That's the point here. I mean, are you telling the States that they have got to comply with these approximately 12 pages of fairly definitive statements as to what education shall be in order for them to get these funds, or aren't you?

Secretary RILEY. You are telling the States, Senator, that they must deal with each of these components, but how they do it is up to them; but you are saying that they shall address each of these components, but these examples are just such as these. And as I said, I wouldn't mind taking a further look at the language, but we do think that it is important to require the State to deal with these issues that constitute comprehensive reform.

Senator GREGG. Well, let's assume the State doesn't deal with these issues. Then these funds obviously are not available. What other funds do you anticipate the Department is going to put at risk if the State if the State does not deal with these issues? Do you have some plan in the future for 94-142 funds, for elementary and secondary funds beyond these, for Head Start funds, for any other funds to be put at risk on the basis of a State deciding that it would rather not take a chance on the "shall" language and just continuing to operate its educational system with a little bit of independence at the community level?

Secretary RILEY. No, sir, I don't think so. But as you would well imagine, of course, we would sit down with the State and work with them on their plans. The effort would be to involve all 50 States with their own plans. It is a partnership, and we think there should be a partnership because we are talking about a national concern about education, and that is part of what this is. And it is difficult to deal with under our Federal structure—I would certainly admit that to start with—and you have to be very careful with it. But we do think that it is a very legitimate part of the partnership to say that we feel the State efforts to deal with systemic reform is the way to go.

Senator GREGG. So there are no other funds other than the $393 million that you are going to put at risk, that come to the States, and that you are going to propose in the future comes to the States, or that presently come to the States, that are going to be subject this type of language restraint?

Secretary RILEY. It is my understanding this is totally separate from anything else, yes.

Senator GREGG. Thank you.

The CHAIRMAN. Mr. Secretary, revenue-sharing is out these days, because the Federal Government just doesn't have the dough. I don't know that we have to learn that lesson again.

Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Chairman, it's a pleasure to be here today to receive testimony on S. 846, the "Goals 2000: Educate America Act."

I want to join my colleagues in welcoming our witnesses here today. I would especially like to extend a warm welcome to my good friend Secretary Riley. Secretary Riley, it is good to have you before us again today.

Mr. Chairman, I believe the education we provide to our children and future generations of children is one of the most important gifts we can give them. This measure seeks to improve learning and teaching by providing a national framework for education reform. I firmly agree with the objectives contained in this legislation which seek to increase parental and community involvement in our schools.

The "Goals 2000: Educate America Act" has many provisions that are similar to President Bush's "America 2000" proposal and the Senate version of S.2 from the 102nd Congress. I supported many of the provisions contained in those proposals.

However, while we work on education reform legislation, we should try to keep the Federal regulatory requirements to a minimum. The Federal Government should become a partner in State and local reform efforts, and not a barrier. Unfortunately, this legislation places too many barriers upon the States.

For example, I strongly support the State block grant for systemic education improvement because of the support it provides each State to develop its own reform plan with its own priorities. However, the proposals contained in this legislation are so prescriptive that it virtually writes the plans for the States.

Mr. Chairman, I support the National Education Goals and the work of the National Education Goals Panel. However, I am concerned that this legislation supports the development of a national curriculum. I believe States should voluntarily develop their own standards and assessments to measure student attainment of those standards.

I also believe that delivery of opportunity-to-learn standards should be left to the local communities. I am concerned that this legislation would lead to Federal regulations as to how instruction should be delivered and how local schools should be organized.

Finally, Mr. Chairman, I believe that more of the funding should be given to the local level and less to bureaucracy. I am concerned that the money provided by this legislation does not flow in the most efficient way to the local levels.

In closing, Mr. Chairman, it is a pleasure to be here, and I wish to join you and the other members of the committee in welcoming our witnesses. I have enjoyed being here on this occasion.

Now, Mr. Secretary, I have three questions. Secretary Riley, part of the duties of the National Education Standards and Improvements Council will be to certify opportunity-to-learn standards and systems of assessment submitted by the States. The question is will the council only certify these plans if they are consistent with the national standards?

Secretary RILEY. The test, Senator, I am told, is consistent with those as challenging as the national standards. In other words, you would have to be certifying to something, and you have to say that these standards dealing with teaching and learning are as challenging as the national standards; they don't have to be the same, but you are certifying that they are as challenging.

And Senator, you understand that any connection with the Federal standards certification is purely voluntary.

Senator THURMOND. Secretary Riley, under the bill, the National Education Standards and Improvements Council would certify systems of assessment for the purpose of measuring and motivating individual students, schools, districts, States, and the Nation to improve educational performance. Could you explain what criteria the council may be using to measure educational performance?

Secretary RILEY. The assessment certification—which again is voluntary; a State would voluntarily come to the council and ask that their assessment measures be certified—the Act specifies what these assessments could deal with, aligned with State content standards certified by the council—in other words, if they are aligned with the State content standards—used for a purpose for which it is valid, reliable, fair and free of discrimination; includes all students, especially students with disabilities or with limited English proficiency, determining appropriate certification criteria. Those three things are it. Primarily, the general content is that it is aligned with State content standards. That would be the real test.

But again, Senator, I would point out that's the State content standards. In other words, the State assessment would have to be aligned with the State content standards.

I think many of the concerns that you have, we have been working with over the last couple of weeks, and I think some of them have been addressed, and I would sure welcome the chance to have my staff continue to work with your staff on these issues.

Senator THURMOND. Thank you.

Secretary Riley, as you know, I am concerned that the funds appropriate under the bill reach the local schools, the local level. If you send 85 percent of these funds to the State, and 85 percent of the State money to the schools, aren't you taking nearly 28 percent out for administrative purposes? Is there a better way to lessen the administrative burden?

Secretary RILEY. Senator, again, I would be happy to talk further about that. We felt that the 85 percent requirement of all funds going into the State going down to the school districts, and then 85 percent of those funds going to the specific schools, was a very bold measure to push the funds down to see that they do reach the actual school site. Again, we'd be happy to look at those further, but we feel like that is really a very, very large proportion of the dollars that are required to end up at the school site.

Senator THURMOND. Thank you, Governor. I am glad to have you with us.

Secretary RILEY. Thank you, Senator.

The CHAIRMAN. Senator Durenberger.

Senator DURENBERGER. Mr. Chairman, thank you. I have an opening statement I'd like to have included in the record and about three or four questions I'd like to address to the Secretary.

The CHAIRMAN. It will be so included.

[The prepared statement of Senator Durenberger follows:]

PREPARED STATEMENT OF SENATOR DURENBERGER

Mr. Chairman, I have a few comments and then several questions I'd like to ask Secretary Riley regarding the administration's "Goals 2000" proposal.

But, first, I want to thank the Secretary for his willingness to consult with all of us on this and other initiatives originating in his Department. I think he knows there are differences of opinion on some parts of this bill—on both sides of the aisle. But, there is also a strong commitment to improving education that I know can translate into positive change.

I also want to thank Secretary Riley for his insistence on keeping public school choice and charter schools as allowable uses of the education improvement funds authorized by this bill.

As we move toward mark-up, Mr. Chairman, I will have some language changes, changes to offer that reflect the understandings you and I reached last year on these two issues during the Senate debate over S. 2.

One of those changes—lifted right out of the Senate's version of S. 2—would explicitly allow States to use these funds for information and referral programs that help parents make informed school choices. I have a letter to the Secretary on this issue from Minnesota's Education Commissioner that I'd like to have made a part of the record of this hearing.

Mr. Chairman, I don't think there's anyone in this room who isn't in favor of State and local initiatives to change and improve our schools.

The much harder question is what the Federal Government should be doing to support the reform initiatives that are already underway and to encourage more reform initiatives to get started.

I ask that question all the time—of teachers and students, principals and school board members—as they come to Washington and as I see them around my State.

The answer I hear all the time is "get out of the way."

That's what the waiver portions of this bill allow us to do. I believe those provisions could be strengthened to provide an alternative accountability mechanism that will focus more on outcomes and less on rigid and inflexible rules and regulations.

So improving the waivers section is another issue I want to work on—with the Chairman and others on the committee—as we bring this bill to the floor.

Finally, I want to listen closely during this debate to the Governors and to education commissioners, teachers and others about how this bill either helps or hurts ongoing State and local school reform initiatives.

With that in mind, Mr. Chairman, I'd like to ask the Secretary a couple of questions.

[The letter referred to is retained in the files of the committee.]

Senator DURENBERGER. May I begin with a compliment to the Secretary for the ways in which some of the issues that I care deeply about in terms of choice and outcome-based education and so forth have been considered. While the Secretary hasn't pleased everybody by defining choice within the public sector and not including the private, he certainly has pleased those of us who believe that unless we can get choice in the public sector, we'll never really have an improvement in quality and outcomes in public education in this country.

I have a general question to ask you both as the Secretary and a member of the President's Cabinet. In your testimony here previously, you have talked about system reform. There are two major areas of system reform going on right now in this country; one is health reform, and the other is education reform. The systems are not all that different. They both operate at the local level; there are different amounts or percentages of the dollars coming from them, but basically, there is a local market for education and there is a local market for health and medical services in this country. One of them is predominantly private, the other is predominantly public. But it seems like the solutions to the problems of both are the same. We need to know something about what is going on in those schools and in those doctors' offices and those hospitals and so forth. We don't have the kind of information we need to judge the outcomes or the results of the process which, in both education and in health, has become so expensive that we don't seem to be able to afford more or better. So, we have this struggle about reform.

If in fact that is true, that we need to be able to measure results and outcomes and so forth, we also need more information from the system in order to do that, and we need that information not just at the government level, but we need it at the consumer level. Those of us who are the consumers of education and health care need a lot more information about what education is and what expectations we ought to have for the system that is providing services to these kids from 5 to whatever age it is.

In the health care area, this administration seems to be relatively bold. It has recognized the fact that, one at a time, we cannot change the way health care is delivered. And I think that's true in education as well—one at a time, whether you are a parent or a brother or a sister or whatever, you aren't going to change this education system. So what they have done in health care is aggregate all the consumers of health care in big things they call "health alliances"—maybe a million people buying and judging the services, with the power that a million people have rather than one person.

Then, they have a mechanism called "accountable health plans." These accountable health plans are designed to leverage change in the behavior of doctors and hospitals so that they will improve the quality of their services and reduce the costs, and do it as soon as possible to meet the satisfaction demand of these large groups of purchasers.

Basically, all we ask of the Federal Government is for a set of rules for this locally-based change in the system. We ask in the health care area that the Federal Government prescribe a basic benefit, a basic set of services to which Americans should be entitled from the doctors and the hospitals and so forth.

The obvious question I have of you is other than the nature of the producers of education versus the producers of medical services, predominantly public/government versus private, why don't we aggregate the buying power, the purchasing power of all Americans in education in order to change that system? Why don't we find a way to reward the best educators in our country as quickly as possible so that they might be an example to all other educators as to how best to do this?

Why do we bog ourselves down in all of these rules and regulations and standards and testing? Why don't we do the same thing in education system reform that we are doing in health system reform?

Secretary RILEY. Senator, you said your question was obvious, and it was not. However, your observation is very intriguing, and I think there are many differences, and there are many similarities with education and health. The fact is they are related in many ways, as you and I know and have talked about. And without getting off into how they are going to deal, or how all of us will deal with the health issue, of course, health is something that involves each person personally. Education is different in that it does have certain attributes that would make it deal with certain people more than others quite clearly.

I think the system that we propose is to turn the system loose. It really is to use the Federal partnership and some seed money to free people up really on the local and State levels to do their thing, to have high expectations of all children, to creatively develop a system of their own standards, their own assessments, their own teaching and learning qualities, and begin to stir that up in every, single school in the country—every, single school—and every classroom.

The Federal side of it, then, is developing information in terms of content and performance and opportunities to learn, teaching and learning standards, which is something that the local school district cannot do. They cannot do that. That is a massive job, for math, involving thousands and thousands of math teachers, to arrive at a consensus. And I think it makes very good sense, and even as you define the health care system and some attributes of that that you are intrigued by, I would submit to you that in terms of where we are in education, the best thinkers out there say that development of a system which is cohesive, which fits like a puzzle, in which the curriculum is designed to fit with the teacher training and education, with teacher development, with textbooks, with parents, with community involved, business, labor, whatever—that all of that works, and it works best, but it has to be driven by high standards. And that is what this design attempts to do, and we have had a lot of work done in the past, and lots of people have done lots of things, and nobody is saying that there is anything magic here. We have really pulled everything together and tried to say where to go from here.

I don't think you can have a full private system of a universal requirement for education by the States, and I don't think anybody anticipates that. There are very clear differences, and there are very clear similarities.

Senator DURENBERGER. I'd like to repeat the question at another time when you are prepared to answer it, because I got a description of the Canadian approach to health care, and this administration has appropriately rejected that and decided to do it differently because we don't have time to wait; so it's just an issue I would raise, and I hope we can discuss it more in the future.

Secretary RILEY. Well, it is an interesting issue, and I'd be happy to discuss it with you.

The CHAIRMAN. Thank you, Mr. Secretary.

Senator Hatch.

Senator HATCH. Thank you, Mr. Chairman.

I welcome you, Mr. Secretary, and appreciate the efforts that you are making, and if I could, I'd just like to make a few remarks rather than ask any questions. Because of the multiplicity of hearings I have had to go to already I missed your opening presentation.

I do want to thank you, Mr. Chairman, for scheduling this hearing on the President's "Goals 2000" proposal, and I want to thank Secretary Riley for being here this morning.

I feel very safe in saying that no Senator, Republican or Democrat, western State or eastern State, senior or freshman, is unconcerned about the state of our education system today. We are all concerned. We have all read the studies comparing the achievements of American children with children from Japan and European nations, and we agree that we Americans need to do much better. We know that the future of our country is in the hands of these future generations. We know that their ability to be successful in science, business, the arts, skilled trades, and other areas affects each and every one of us.

But I also believe we have to acknowledge that America's schools are not all bad. There are some very good things going on in our Nation's schools today. For example, in Utah, 90 percent of the students at Granite School District's Skyline High School are taking math. This surge in the math program is attributed to some inspired efforts by teachers, parents, local businesses and school administrators to integrate computers into the classroom. Teachers have also been benefiting from Math Camp, a 2-week residential summer workshop for elementary and secondary schoolteachers sponsored by the Utah State office of education. I think those are steps in the right direction.

Utah can boast a unique enrichment program for Utah schools that involves four outstanding Utah organizations—the Utah Symphony, Ballet West, the Utah Opera Company, and the Hanson Planetarium. These four institutions provide a combined total of more than 1,700 events annually, reaching over 300,000 students and children in every corner of our State.

Now, Mr. Chairman, it may be of particular interest to the committee that Utah has formed a nine-district consortium to promote opportunities for students who plan to enter the work force directly after high school.

I can name many more examples of innovative, progressive educational programming in our Utah schools, and I am sure our colleagues on this committee, I am sure, could do the same. My point, Mr. Chairman, is that Utah, like other States, is already well aware of its educational strengths and weaknesses. Utah, like other States, has already developed a strategic plan to address these important needs.

Mr. Chairman, the claim is made that the content and delivery standards called for in this bill are voluntary, but the plain fact is that "Goals 2000" is a standards-driven approach, and this approach, at least in my opinion, will not help my home State of Utah; in fact, it could conceivably hurt our efforts at improving education in our State by forcing the State to adopt Federal priorities and to redirect resources away from ongoing State efforts in order to meet national content and delivery standards.

There are alternative approaches to school reform that would better facilitate the 50 States' progress toward implementing their own reform ideas. Top on this list would be a systematic program by the Clinton administration to promote State and local flexibility. The mandates attached to existing Federal programs gobble up money like Pac-man, and even then, these programs may not truly address the needs of individual States or school districts. We ought to be enlarging States' ability to design and implement school improvement programs—not second-guessing them—with standards that are certified by a national commission.

Isn't it time, Mr. Chairman, that the Federal Government stop trying to be the Pied Piper of school reform and instead get behind our State and local school boards?

But if the Federal Government insists on being in the front of the parade, it should be for the purpose of clearing away the roadblocks, not adding additional obstacles.

Mr. Chairman, I want to personally say that I believe Secretary Riley has the capacity, the ability, the knowledge and the genius to be able to help our States to do an even better job in education. I am going to help you, Mr. Secretary, every step of the way if I can, and I am going to do everything I can to cooperate with you, but I am really concerned about some of these delivery standards and these standards that are top-down driven by the Federal Government, perhaps without taking into consideration what the States need and what they really ought to do. But I know that you are concerned about it, too, and I want to work with you, so we'll just keep an open mind and do the best we can to help.

Thank you, Mr. Chairman.

Secretary RILEY. Senator, thank you very much, and if I could, I would like to have some time with you so that we might discuss things.

Senator HATCH. I'd be glad to do that.

Secretary RILEY. I think a number of concerns you raise—and I have mentioned it to other Senators here this morning—have been dealt with in a way that you would be very pleased with—maybe not satisfied, but certainly pleased.

I do not think that we force adoption of any Federal priorities at all. We are dealing with State standards, State assessment, and the Federal part is over here for the States to voluntarily try to be certified and reach if they want to for any particular reason.

And you are right—there are many actions going on in many States, and most of the good actions, certainly the successful ones, would be very consistent with the very thing we are talking about here, and that is what is happening in your State as you describe it—comprehensive education reform. And that's what we want to see going on everywhere.

Senator HATCH. Well, I really appreciate that. In our State, as you know, we have tremendous problems because we have more children per teacher than any other State in the Union, and we spend more overall as a percentage of budget than any other State in the Union; and yet per pupil, we don't rank very high because we have so many children.

So we have some particular problems. And if the Federal Government starts mandating delivery standards and other types of standards that we just cannot meet, then you can see the problems and burdens it would bring to Utah, even though Utah is doing a relatively good job from an educational standpoint.

Secretary RILEY. Senator, there is no mandate in here of putting Federal opportunity-to-learn standards on your State. There is no mandate in here like that.

Senator HATCH. I am glad to hear that, and I didn't think you would put that in there, having watched you as a Governor and also having watched you in your tenure since you have been here. But I am just making as sure as I can that that won't be the end result here.

Thank you, Mr. Secretary.

Secretary RILEY. Thank you, Senator.

Senator DODD. Mr. Chairman, could I raise just one quick question? South Carolina, Kentucky, Connecticut and others have adopted educational improvement plans. The question we get from our State is whether or not they will have to go back and reexamine those plans, or will those States with plans—your State being one of them—fit into these models pretty much?

Secretary RILEY. The system, Senator, picks up a State exactly where it is, and you have some real interesting things happening out there. When you look at various areas, Kentucky might be dealing in a very important way with certain things, Vermont another, South Carolina and Connecticut another. The Kentucky system, though, is different, say, from a Vermont, but both of them are dealing with this subject and in their own way. Kentucky is kind of a top-down system that was developed through a court case. Vermont is more of a bottom-up kind of system. But that's not to say that both of them, if they are dealing with comprehensive reform in their own States' way, would be perfectly in line with us helping support them continue to do that.

So it does call for picking a State up exactly where they are, working with a system, so long as they can show it is comprehensive, it deals with standards, assessment, teaching and learning; that is the only requirement.

Senator DODD. Thank you very much, Mr. Secretary.

The CHAIRMAN. I would just say finally, Mr. Secretary, that I think that is the heart of this approach, this flexibility, which is enormously constructive and positive.

We have a handful of programs at the federal level to help children; you are all familiar with the $6.5 billion for Chapter 1 which is on a formula basis, because the country recognizes that we have economically disadvantaged children, and their needs are something we ought to try to provide for. We have very limited money for special needs students, but because we think that their needs are sufficiently important, we ought to provide some help and assistance there. We have some vocational money, only about $1 billion—it's a lot of money, but when you are talking about $1.5 trillion it doesn't seem like very much—to try to provide help and assistance for those children who aren't going on to higher education.

These are some of the programs, and they are formula driven. What you have done here is recognize that there are limited resources at the federal level and you want to leverage those resources. I must say that within Chapter 1 we will try to find ways to reduce some of the rules and regulations even though we have seen that sometimes, when we didn't have rules and regulations, money that was supposed to go to economically disadvantaged children was used to build swimming pools or buy shoulder pads for the football team.

So we want to try to lessen the burden in terms of the rules and regulations, but yet we want the resources, the scarce resources that we have at the national level, to go in the direction where we find urgent need. That is what I think is so creative about your program. The taxpayers' money is not going to be expended unless there is performance, what you are saying is that to get the money, there is going to have to be performance. I think most taxpayers in this country like that kind of discipline, and it is a creative aspect. It is certainly a different kind of an approach, but I think it is one for which there will be broad support, hopefully.

I want to thank you very much, Mr. Secretary. I think you have a lot of interest by all members. Hopefully, we can find some common ground. We are all interested in doing that, and I think, as has been mentioned many times, as someone who has provided the leadership in your own State, you speak to these matters with great authority and credibility. So we are very, very grateful for your presence.

Secretary RILEY. Thank you, Senator.

The CHAIRMAN. I will call on Senator Jeffords to introduce Dr. Mills on our second panel, and then we'll ask the four other witnesses to join Dr. Mills at the witness table, and I will introduce them.

Senator JEFFORDS. Thank you, Mr. Chairman.

I am extremely pleased that our commissioner of education from the State of Vermont is here with us today. I have worked with Commissioner Mills and am deeply impressed with what he is doing. You have already heard the Secretary speak of the Vermont plan as being one which I have a lot of faith in and as having been built from the bottom up, so to speak.

Commissioner Mills has worked continuously on expanding the partnership to create and carry out a plan for school reform that indicates education goals, a common core of learning, an assessment of student performance based on portfolios, a series of challenge grants to support local innovation, a teacher majority professional standards board, and sweeping changes in special education funding and programs.

Most recently, he has been instrumental in procuring a $10 million grant from the National Science Foundation to promote systemic reform in math and science education. He serves on several boards, including the National Center of Education and the Economy, the New Standards Project, and the National Assessment Governing Board.

Mr. Chairman, I am deeply appreciative for Commissioner Mills being here today, and I know he has some very excellent testimony to give us and can assist us in passing a bill which I know we will all be proud of.

The CHAIRMAN. Well, we are looking forward to hearing from you, Dr. Mills.

I am going to ask our other four witnesses to come forward as well. They are people on whom we depend to implement Federal policies, and we appreciate their views. Today is National Teachers Day, so we thought it would be particularly appropriate that we invite two outstanding teachers to testify. Teachers must be at the center of the reform, and unless we encourage and support them, very little will change in the classroom.

Mr. Tracey Bailey is a math and science teacher from Melbourne, FL who was recently named National Teacher of the Year. He has actually worked with math standards.

We also welcome Mr. Norman Conard, from Uniontown, KS. Mr. Conard is a history teacher who was the 1992 Kansas Teacher of the Year, and Senator Kassebaum is going to formally welcome Mr. Conard.

Besides the teachers, we need principals and administrators to lead schools. Ms. Linda Davis is the deputy superintendent of the San Francisco Unified School District, and she has been charged with the systemic reform efforts in a large urban area and has very, very interesting testimony.

Mr. George Kaye is vice president of human resources at Brigham and Women's Hospital in Boston and knows first-hand the needs of employers, a very interesting story.

We'll start off with Dr. Mills, if we could, but first, I will say that I dislike some things in the U.S. Senate, but the one I dislike this most is this machine. I am enormously reluctant, and I think my colleagues all know how reluctant I am to use this, because people do well in terms of following the time. But we'll try and keep to five-minute presentations in order to come back for questions. We'll ask our superior staff to keep track of the time, and we won't have any bells, but just the green, yellow, and red lights, and if you could do your best, we'd appreciate it.

Dr. Mills, please.

STATEMENTS OF RICHARD P. MILLS, COMMISSIONER OF EDUCATION, MONTPELIER, VT; TRACEY L. BAILEY, MELBOURNE, FL, 1993 NATIONAL TEACHER OF THE YEAR; NORMAN CONARD, FORT SCOTT, KS, 1992 KANSAS TEACHER OF THE YEAR; LINDA F. DAVIS, DEPUTY SUPERINTENDENT OF SCHOOLS, DIVISION OF INSTRUCTION, SAN FRANCISCO, CA, AND GEORGE H. KAYE, VICE PRESIDENT OF HUMAN RESOURCES, BRIGHAM AND WOMEN'S HOSPITAL, BOSTON, MA

Mr. MILLS. I'd like to thank the chair, and I'd like to thank Senator Jeffords for that very warm welcome. I am very proud to be here, and to say that it's a privilege really doesn't tell the half of it.

I would like to make three basic points. I think we really need this bill. We really need "Goals 2000."

I would also like to make a second point, and I will get into it in some detail, that I think we need some changes to fully seize the opportunity that it presents. And I want to conclude with the thought that so many people will suggest alternatives and changes; I hope that those lists of changes don't add up to the sense that we ought to do nothing. And I include my list of changes in that. I think the Nation really needs this bill.

I look at this from the perspective if a State that has been very deep in systemic change for a long time. We have followed an inclusive process. We have drawn the circle larger and larger. We call our plan the "Green Mountain Challenge," and I think the subtitle tells the whole story. It is very high skills for every student—no exceptions, no excuses—and we really mean it.

I see the need for this bill wherever I visit—when I visit schools, when I look around the State, including my own, and when I look around the country as a whole. I try to spend as much time as I possibly can in schools, asking students and looking at their work. And I find many students who are challenged, but I still too often get this answer to this question. The question is, "Are you challenged? Is the work that you do stretching you?" Too often, I run into youngsters who say, "No, it is not."

I think what we have to do is make the expectations abundantly clear. It is important for a State board to do that, for a Governor to do that, and it is important for the Nation as a whole—and you speak for the Nation.

I see the need for this bill when I look around the States. The most common question that I get when I am talking with my colleagues is: How do all these pieces fit together? I hear it in may different States. As I said in my prepared statement, I think I know how they fit together, but until everybody knows how they fit together, we don't have the energy in this great Nation to move change.

Finally, when I look at the national level, I see so many pieces of systemic change put together, so many institutional changes involving standards for teachers, emerging national standards in curricula, but they are not liked; it is not yet a strategy for change.

"Goals 2000" cannot be presented as the solution for all these problems, but it would make a very big difference. Among the changes that I would suggest that would make this bill stronger would be to make sure that the Federal Government applies a light touch to State planning. This really does create a radically different Federal role. We all know that there are Federal plans for education. The difference is that now they deal with a part of the educational program, not the whole thing. This bill, even though it is on the States to develop the plan, would have a Federal oversight role over State planning, and it would draw that over the entire enterprise. In my State, it would be over the whole $700 million State, local, Federal money. That's a big change. It might work, but we need to be careful about what we are doing here.

I think there ought to be some presumptions about the State planning effort. There ought to be a presumption that the plan that the State puts together makes sense. We ought to be very careful in the bill that there not be regulations to follow that make things that are "for instances" into absolute requirements.

In fact, I would suggest that it might be very helpful to see matching Federal plan. I am commissioner in a State with a very small department of education; I am very proud of those people. We have tried to transform our organization to support schools and teachers and students as they go through change. It is a very, very tough thing to change an organization, no matter what the size. There are 5,000 people in the Federal Department of Education; I'd like to know how they are going to transform for high performance.

Finally, I can't help but draw attention to the list of items that are cited as possibilities for deregulation. There is one bit opportunity missing, and it has to do with special education. Vermont has tried very, very hard in partnership with parents and students and teachers to stop the continual increase in enrollment in special education, because in many cases, it involves moving children down the hall—moving children who ought to be educated in the regular program into another program simply because there is no other way to give them the services that they need.

I think it would help us a lot if Vermont had an opportunity to State its case. We have been able to reduce enrollments in special education by 6 percent a year for 2 years in a row, and we are about to get another 3-1/2 to 4 percent this year. We are going to need some Federal help to continue that level of achievement.

The final point: We need this bill.

The CHAIRMAN. Thank you. The issue of special needs has been raised, and we will have a hearing on it when we consider the Chapter 1 program. I think it is enormously important, and I am glad you referenced it.

Mr. MILLS. Thank you, Senator.

The CHAIRMAN. And we'll be in touch with you to get some of our suggestions on it as well, plus anybody else.

[The prepared statement of Mr. Mills follows:]

PREPARED STATEMENT OF RICHARD P. MILLS

We need Goals 2000 -- with some changes

We need the Goals 2000 legislation. The reasons are apparent at every level of the educational enterprise. We also need some changes in the bill to ensure its success.

When I visit schools, I first look at the work that students do. In Vermont, that means I ask for the student portfolios -- and then I ask students this question: Is the work that you do challenging? Too often, the answer is still "no." We are still not making expectations clear. Goals 2000 alone won't solve that but it will help by introducing us to world-class standards. We need to stop saying that we want world class standards and start designing our schools to meet them.

When I observe state efforts, even in my own state, I see so much action and commitment to systemic change. And yet the most common question is, "How do all these pieces fit together?" I think I know how they fit, and so do a great many. But everyone has to know if we are to link vision to action and action to accomplishment. The public consumes and repeats negative statistics about performance, but withholds permission for radical change in the school down the street. When someone asked how much of our budget should go to reform, I said all of it. We simply cannot afford to invest in the status quo. But the pressures to do just that are enormous. Goals 2000 by itself won't solve that, but it will create a framework to enlist many more supporters in the work at hand.

When I look at the national level, I see many institutional changes -- emerging curriculum standards, a National Board for Teaching Standards, the National Goals, the New Standards Project, and the systemic effort to transform mathematics and science led by the National Science Foundation. But they are not well connected. Our education system is like a six-cylinder engine firing on four. For example, at the same time that many of us have tried to invent better assessments, Chapter 1 still ties us to multiple choice tests. While many of us pursue systemic change strategies to benefit all students, the federal partner focuses on parts of the program for only some of the students. When the times require innovation and high performance, the federal partner values compliance and documentation. Goals 2000 won't entirely resolve that either, but it rewrites the rules for everyone. The new game is performance.

Suggestions to improve the bill

In the context of my overall support, I don't like a few elements of the bill, and I have some suggestions.

Lighter federal touch: The bill defines a radically different federal role in education: The Goals Panel will set the goals, the Standards and Improvement Council will certify the standards to measure progress toward the goals, and the Secretary will oversee a state and local planning process to reach the goals. While the federal government requires plans now, they govern only a part of education -- Chapter 1 or special education, for example. This bill will assert federal oversight over the whole educational program in a state or community. That goes too far. I suggest a very light touch on state and local planning. It is overreaching to try to control the whole game with only a 6 percent stake. $700 million

Accept working local governance: The bill requires a state panel with particular membership to write the state plan, and gives that panel monitoring responsibility once it has completed the plan. This intrudes on established governance in some states. A better way would be for the bill to accept the governance arrangement that works in each state for the drafting and monitoring of the plan, provided that the process they use includes the groups named in the bill.

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Presumption of state plan acceptability: The bill should express a presumption that a state plan is acceptable provided that it reflects broad involvement and appears likely to help all children. The temptation to go beyond that will be hard to resist, but many of us at the state level will resist. The bill should say that the Department of Education will not tell states the details to include in their plans. I suggest that the legislation specifically state that the implementing regulations written by the Department can not add requirements beyond those specifically stated in the legislation itself, nor make those that are in the legislation more detailed than the statements made in the act. Let the Secretary accept rather than approve state plans. Let those plans be the basis for a joint venture provided that they commit to high, verifiable results.

Flexible change provision: There ought to be no federal approval required in the bill for changes in state plans, beyond the need of partners to inform one another. All plans change -- if they are real. States should be permitted to depart from the specifics of the plans provided that they are faithful to their fundamental spirit -- if states depart from that, they should lose the money.

Matching federal plan: How does the U.S. Department of Education plan to build its own capacity as the states and communities are doing? It would be a good idea for the Congress to request a federal agency plan to match the state and local plans. The U.S. Department of Education will have to change in culture and form in order to carry out this bill. The old compliance monitoring approach won't support systemic change. Every partner should share in the risk and exchange commitments.

There are several reasons for limiting federal involvement in the details and method of state and local systemic planning. With the exception of a few at the top of the U.S. Department of Education, not many federal level partners understand systemic change. But many in states and communities do. We should not compel one another in the area of systemic change when the experience on both sides is so modest.

The current relationship between states, federal government and local schools rests on plans full of boiler plate assurances, demands for compliance with form rather than substance, and commendations that fool no one. We must build a new relationship on trust, and that will happen only if all the partners make commitments and deliver.

Keep variation alive: It is very important to have Kentucky on a somewhat different path than Vermont. Every time I meet colleagues from other states, I learn something. Let's keep variation alive. Don't let federal adoption of the systemic change approach bring this innovation to a halt. The way to accomplish that is by removing some of the details in the plan. There are more than nine pages on what goes into the plan. The federal government should impose no orthodoxy in education reform.

Involve the public: The Congress should require these national level panels and councils to talk with and listen to far more people than ever before. For example, there were funds available for only 27,000 copies of the first National Goals Report. The message about the National Goals has not penetrated. In contrast, Florida put out half a million copies of its reform plan.

There is welcome language in the bill about widespread public involvement and bottom-up as well as top-down reform -- this has been a crucial feature of Vermont's experience -- but a hard look at the apparatus the bill creates suggests that the important decisions will be the work of a few. The real power of this initiative will be our ability to win the commitment and passion of millions who don't sit on these panels or councils.

Include special education: The bill will enable the Secretary to deregulate for performance. This is a very powerful incentive, because it requires good results for children, not satisfaction with having completed the required process. But there is one major opportunity missing from the list: special education. After years of continuous increases in special education enrollments, Vermont has, through changes in professional development, incentive funding, and a careful building of trust, been able to reduce special education enrollments by 6 percent for two years in a row. We are going to need regulatory relief at the federal level to continue this achievement. Please add language to the bill to allow Vermont to make its case to deregulate in special education.

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We want to guarantee a free appropriate public education for our children. But we want to look at results. In special education, the federal partner would still force compliance with a process that has not demonstrated effective results. If we are willing to work with parents and educators to build a better education for these most fragile of our children, our federal partner should not fear to stand with us.

Strong features of Goals 2000

There is a great deal about this bill that I like very much:

The most important thing the bill does is establish a way to build consensus for change and high skills. It is a statement of national resolve to do better by our children.

The bill connects critical elements of the nation-wide education reform efforts of recent years. The Secretary's team has sought to combine the best of recent experience from several sources -- state and local efforts, the work of the Governors, the major business groups, the research community and others. And they have largely succeeded. I know that they have attempted to accommodate the situation of states that have moved ahead with systemic reform and don't need to start over.

The bill will set world-class standards, and will match them with real opportunity-to-learn standards. The bill will enable us all to focus on the whole rather than the parts.

The bill spells out the elements of systemic state improvement plans for education, and while a few elements such as the standards would be mandatory if the state wants the money, other elements are illustrated with examples, not specific requirements.

The bill enables the federal agency to do what states have done -- deregulate for higher performance. This reveals a sensible determination to make standards clear, but not hold schools accountable for the one best way to reach them, since there is no one best way.

The bill provides a framework for all future federal action. Without this bill, the fragmentation in federal policy will continue. The federal agency will behave as it always has. We will continue to have two systems that contend in every school.

Finally, the bill creates a mix of pressure and support to plan for systemic change. Some question the need for the funds. I don't. Most of the money goes to the local level and it really is needed there, not to top off the existing programs but to fuel change. It does that by building capacity.

In summary: give us Goals 2000

People will no doubt offer so many suggestions for change that it would seem simpler to set this aside and get on with the Elementary and Secondary Education Act. But we need the Goals 2000 bill to establish the context for that reauthorization. If we miss this opportunity, we will fail to reach the National Education Goals. In time to come people will say that we even failed to try.

The CHAIRMAN. Mr. Bailey.

Mr. BAILEY. Mr. Chairman, members of the committee, thank you for this opportunity to speak with you about this critically important need for America's educational system.

I am excited about the opportunity we have to reform our educational system, but I am frightened about some of the reluctance to jump in and do something. I agree that we need this bill, and we need it quickly; we need help in our school systems.

As I see it, the focus of this bill reinforces the lessons that I have learned in my classroom and what I have seen in my colleagues' classrooms. Five years ago, I took over some science programs at Satellite Beach High School in Melbourne, FL. The advanced placement science programs were not doing very well when I took them over—as a matter of fact, the passing rate was around 22 percent, and that is far below the national average. Within just a few years, we had doubled and tripled the enrollment in those advanced placement physics and biology programs, and our passing rates are now 85 to 100 percent, among the highest in the Nation. I wish I could take full credit for that.

In international science competitions, it had been 20 years since we had had an international winner. We now are producing two and three international science competition winners every year. Again, I wish I could take full credit.

But the responsibility for that really lies in the system that we were able to develop with teachers and parents and students working together. We have a system at Satellite High School that basically reinforces three areas. The first is that there are high expectations, and those are calibrated with written standards to accompany them. High expectations that are not specified don't help anyone.

The second is there are assessment tools available to every student so they can gauge their own progress toward achieving those standards. If there is no way of gauging progress, there is no motivation. We all know that. The human heart rises to the level of challenge.

And the third component that is critical is that we have an environment at our school and a management structure at our school that encourages and allows innovation and creativity. If you have goals, if you have assessment tools, but you don't have the ability to restructure your environment, to adapt, to be creative, to be innovative, then you won't be able to reach those.

Unfortunately, the environment that I just described does not exist in most of our Nation's schools. There are a lot of reform efforts going on, but they have not been systemic, they have not been widespread, and most of them are in their beginning stages. It is wonderful to see some of the successes. Florida has done an excellent job in beginning this effort, but we aren't there yet.

One problem that I see is that even when the desire for excellence and high expectations exist in a classroom, the tools for the teacher for assessment, for comparison with national standards, for comparison with international standards, are not there. It is very similar to giving a track and field coach a team and saying, "I want you to do the best job you can with this team, but I'm sorry we don't have any stopwatches for you, we don't have any tape measure for you, but just get out there and do the best you can and compare with one another." And Johnny will always run fast, and maybe Joey won't run as fast, and Johnny gets used to just giving enough to finish first, and Joey gets used to running in the middle of the pack. And that is what we have right now in many of our schools. It is not right, it is not best, and it is not desirable for excellent in education. We have the opportunity to change that.

If you think that is too extreme an example, then I suggest you spend some time in our schools. I also, when I talk with students, ask them are you being challenged—how much do you feel the pressure of your education—and most of them just do enough to get by, because there is no high level of accountable standards for them. State by State, we are trying things, but it would be wonderful to have some leadership and some incentive at the national level to accomplish this.

There have been some concerns raised. Again, I echo the opinion that whatever we do to change, to slightly modify this bill, is fine. We are open for debate on this. But we need this incentive at the national level.

Let me simply close by saying that without national goals and national standards, we have no idea where we are headed. Without a system of assessment, we have no idea where we are in progressing to that level. And without the environment and the management structure being reformed, teachers have no possibility, no genuine possibility, of restructuring their classrooms in order to reach those goals.

Thank you very much.

The CHAIRMAN. Thank you, Mr. Bailey.

[The prepared statement of Mr. Bailey follows:]

PREPARED STATEMENT OF TRACEY L. BAILEY

Mr. Chairman, members of the committee, I greatly appreciate this opportunity to speak to the issues in S. 846, the Goals 2000: Educate America Act. It is not often that a classroom teacher has the chance to bring his views before such an auspicious body and I thank you for the privilege. As I see it, the focus of this legislation reinforces what I have found to be true in my own teaching experience and in the experiences of my successful colleagues.

During the past 5 years of teaching in the public schools, my students and I have developed award-winning science programs and classes to the extent that they have achieved academic successes at the highest national and international levels. Our Advanced Placement science scores have gone from being mediocre at best to being among some of the highest in the Nation, and our students routinely win two or three international science competitions each year. This has all been accomplished at a regular public school with a diverse and changing student population.

While I would love to take all the credit for their success, I must point out that much of it comes from an learning environment which provides three critical needs:

- specific high expectations and standards;
- a reliable system of feedback to gauge progress toward goals; and
- an environment which allows and encourages change, innovation, and correction.

These are the main components of change and reform that have allowed my students and my school to succeed and excel. I genuinely believe that this combination has the greatest potential impact to improve the American educational system.

Concerning high expectations, national standards and assessment, I have been fortunate to teach classes like Advanced Placement Physics and Advanced Placement Biology, where a system of national standards and assessment already exists. The academic goals, standards, and assessment tools for those specific classes are designed to adequately measure proficiency and award early college credit to high school sophomores through seniors for work in challenging, advanced classes. I owe much to the success of those programs to the high expectations set by the College Board, the reliable and constructive feedback available to those students, and the motivational and formative aspects of benchmarking progress and improvement.

It is not unlike a race, or any athlete training for a competitive event. There are always goals, benchmarks, and standards whereby an individual or a team can assess and adjust their progress and training.

Unfortunately, there is an environment in many classrooms that focuses attention on watered-down, low expectations, minimum competencies—rather than achieving maximum expectations and goals. And even when the desire for excellence has been present, there have been woefully few resources to objectively gauge and compare progress of students against high national standards. The resources necessary are essential if constructive and formative changes are going to be made for both students and teachers to improve their performance.

However, the best assessment tools in the world are of no values if the necessary changes indicated cannot be implemented immediately and practically in every classroom. It has been tremendously important to my success in teaching that I have been given the freedom and encouragement to initiate change and innovation in the classroom. My subjects area of science and engineering is based upon a cycle of experimentation, feedback, revision, and improvement. It is obvious to anyone who desires a system of continuous improvement that all teachers must be given that same freedom and encouragement if our Nation's students and schools are to reach their full potential.

How sad it is that in many schools the structure and focus tends to center on "quietly managing the status quo," or doing the best job we can in roughly the same old ways. The best-intentioned standards are futile unless there is an accompanying incentive and an environment that facilitates positive change, innovation, and creativity from all levels of the system. These are the hard lessons that General Motors and IBM have learned and we in education dare not continue to ignore them.

I have worked closely with Florida's statewide systemic reform initiatives which stress community involvement, individual initiative and empowerment, and continuous improvement. These ideas are as necessary in education as they are in industry, and are so far overdue in their broad application in schools that we are seeing the same difficulties in global competition as our corporate colleagues have experienced. However, the encouraging news from corporate America and from my experience in the classroom is that we can restructure and refocus our efforts effectively—with fast and positive results.

In my efforts to work with and train other teachers in school reform it becomes immediately obvious that a number of components are necessary for these changes to be effective. Chief among these is the need for staff development and retraining. These are the same lessons learned by industry, and it should come as no surprise that statewide, systemic reform in the school is going to take the same type of concerted effort and commitment of energy and resources.

Finally, a word needs to be said in support of opportunity-to-learn standards. Simply put, I feel it is critically important—as we set high standards, and implement statewide reforms—that we have some gauge and some standard whereby to measure the resources and opportunities that children from drastically different backgrounds are being offered. In any form of problem-solving or system of change, it has been essential for me to know accurately and concretely the different variables and constants that are affecting my students outcomes and performance. This information can only improve the process of change and decision-making at the local level.

In closing, I must reiterate that this combination of high expectations and national standards, outcome-based assessment and accountability, and incentives for systemic, voluntary, statewide reform truly strike at the heart of the needs of education in America. It is only fair and rational that any proposal for raising expectations of student performance be linked, as this proposal is, with increased opportunities to learn and incentives for change. Thank you.

The CHAIRMAN. Senator Kassebaum, would you like to introduce Mr. Conard?

Senator KASSEBAUM. Yes. I am very pleased to welcome Norman Conard, who was the 1992 Kansas Teacher of the Year. He has gone back to his roots in Kansas, to a certain extent. He has taught 6 years in a small rural district, but he spent 10 years teaching in Los Angeles, so it is quite a comparison to have done both.

Since his selection as Teacher of the Year, he has travelled extensively around the State and around the country. All of our Kansas Teachers of the Year have continued a mentoring process for other teachers, and I am sure this is true in Florida as well.

Mr. Conard has been a real inspiration to other teachers and has used his students as well to speak to the innovation in education which I think is exciting for everyone to see, particularly through the video documentaries which he has encouraged as a history and government teacher. I have seen some of those documentaries, and they are really extraordinary in their presentation. I suppose what we are hearing from all teachers who are excelling is a dedication to teaching and a respect for learning which really can never be legislated. And those who have had that and who will continue to have that are the ones who inspire us all.

I am very pleased that Mr. Conard could take time away from class today.

Thank you, Mr. Conard.

Mr. CONARD. Thank you, Senator, and thank you for giving me the opportunity to discuss the President's education reform bill, and my students, who did not have homework last night because I am here, thank you also.

As a history teacher, I recognize the importance of reform, and progressive reform in the mid-1800's and early 1900's have caused great good of society and great change. I share with this committee the belief that every child can learn on higher levels, and that teachers should be held accountable for that student learning.

Our culture and society have changed a great deal over the last 100 years—I don't need to tell anyone that—and education needs to change along with it. In my history class, I am constantly evolving in the way that I present my subject matter. Education itself needs to evolve also; that evolution must continue.

The State of Kansas has been a leader in restructuring in the Nation. Our State has gone to great lengths to restructure and reform, and we realize that developing outstanding schools is not an easy task.

The education bill has some excellent sections. I applaud the voluntary target and mention of fair opportunity to achieve knowledge and skills, and I applaud some of the Secretary's comments a few minutes ago about parental involvement, which I think is extremely important. The parent is vital to the success of our classrooms.

I was networking with some of my teachers over the past few days, and I think I perceived a little bit of skepticism from around different parts of Kansas about the bill—a new administration, maybe another reform package, and sometimes trends can equal paperwork, and that can equal less classroom time. So I picked up a little skepticism in visiting with some administrators and friends of mine. In fact, I had one administrator friend who said after reading the bill that he thought it was a little difficult to comprehend, and said to me that it was probably written by either a Ph.D. or someone with a 3rd grade education, because no one in between could understand it.

Well, I don't agree with that, but sometimes as we wade through these different reform measures, it is difficult to understand what the eventual goal will be. And that eventual goal should go down to the classroom; that's the bottom line. One of my seniors told me yesterday, "Be sure you speak for the student." That's what we are here for—the committee and the teachers and the administrators and everybody else—the bottom line is how will this translate in the classroom.

While reading this bill, I wondered about how the Federal Government would facilitate what is going on at the State and local levels. A lot of this is already happening in Kansas as far as restructure and reform. How will that affect our State?

In reading, I had additional questions. What about funding? What about resources? In order to achieve our goals, we have to have adequate resources, and better teachers demand better pay; we need smaller class sizes. And don't misunderstand. The money is not the catch-all with this situation. I have the greatest job in the world. I have a better job than a United States Senator, because I get to teach history every day and work with wonderful young people and get paid for it, and you can't beat that. So money is not the answer, but we do have schools in this country with inadequate resources, and we have classroom sizes that are much too large.

This reform package deals with assessment standards, and it deals with national goals, and maybe the assessment picture is not as clear as it could be. I am wondering about a national system of assessment or a national system of standards—what can be done to take advantage of what is going on in the States right now? As I said, in Kansas, we are meeting many of these criteria.

The new administration's concern is admirable, but I think we have to consider the role of the States. And we have used the terms "top-down" and not enough "bottom-up" reform several times this morning, but I think there must be a balance, and there should be a balance in dealing with this.

It is paramount also that teachers be involved, so we teachers on this panel thank you for including us. Teachers as leaders in educational reform is such an important concept, and teachers should be involved in designing these bills and in implementing them, at all levels.

The idea of a national standard would in my opinion require a national curriculum. And that is something that perhaps has not been mentioned this morning. I believe that many of my colleagues would not support a national curriculum. I know the word "voluntary" is used repeatedly in this bill, but I wonder about a national curriculum being around the corner.

Now, in the industrialized world, there are several nations that have Federal mandates and Federal curricula, where everything is structured exactly to what a teacher may teach at a certain time. But in this country, we have a great creativity, a wonderful creativity among our students and among our people, and a very diverse population. So as you consider this bill, keep in mind we are a unique people and a very unique Nation.

A major concern of mine deals with the local teacher, and again, I realize this is voluntary, but the pressure again will be from the top down to adopt this system. Does that mean that we will have more Federal forms, more paperwork, and less options? I would hope not, because all of that translates into less class time.

I might invite you to Uniontown High School in our district to see some of the innovations going on in our area. We are a very small place on the map—Senator Kassebaum can help you find it—and we do things in that area that I think are very innovative. We also have a wonderful regional cooperative which has been copied by 30 States, which offers fiber optics, countless in-service opportunities and innovations in education.

Finally, Walt Whitman being one of my very favorite people in American history, I would like to paraphrase him if I can. He said that each teacher at one time or another walks each pupil to the window, and with the left hand around the waist, points with the right hand to those endless and beginningless roads. With any reform package, I would hope that as a teacher, my creativity and flexibility in the classroom to point out those roads would not be limited and that my students would not be given less options of roads to follow.

My students want to thank you and salute you for your concern for the future.

The CHAIRMAN. Is that from the poem, "Leaves of Grass"?

Mr. CONARD. Yes; it's from the dialogue of all those poems, yes, Senator.

The CHAIRMAN. Thank you.

[The prepared statement of Mr. Conard follows:]

PREPARED STATEMENT OF NORMAN CONARD

First of all, let me thank you for the opportunity to discuss the President's education reform bill. As a history teacher, I recognize the importance of reform from our American past. Progressive reform in the mid-19th and early 20th century caused great change for the good of society. I share with you the belief that every child can learn at higher levels and should be equipped with the knowledge to become a contributing citizen. It is also my belief that every teacher and educator must be held accountable for student learning.

Our culture and society have changed a great deal over the last 100 years, and education needs to change along with it. In my history class, the way I present the subject matter is constantly evolving. Therefore, our outlook concerning goals for the future must also be evolving. The State of Kansas, like the rest of the Nation, is in the process of transition. Our State realizes that to build outstanding schools is not an easy task. Our State has been a leader in the restructuring of schools; Senator Kassebaum understands this and has provided excellent support for education.

The education bill has some excellent sections. I applaud the voluntary targets and mention of fair opportunity to achieve the knowledge and skills possible. I also applaud President Clinton's strong indication that he will be committed to shaping a meaningful role in improving and supporting education.

While reading this bill, I wondered about how all of this was going to be put in place. I wondered how the Federal Government would facilitate what is going on at the State and local levels. In my reading, additional questions were raised. What about funding in the reforming of our schools? In order to achieve the broad goals, schools must have the resources to carry out the programs. If we want better teachers, we must pay teachers better. If we want to improve our schools, we must reduce class size. Please don't misunderstand, money is not the catch-all answer. I, for one, have the greatest job in the world, even better than being a U.S. Senator. I teach a wonderful subject—history. I work with young people and get paid for it. Yet, many schools are without proper funding and teachers endure class sizes much too large. How will this bill address that situation? The bottom line in everything about this bill is: How will it translate in the classroom? What are the advantages for our students? A senior in my government class told me yesterday to speak for the students, as well as the teachers.

This reform package mentions some key terms, such as national standards and assessments. The assessment picture is not as clear. Are we headed toward a na-

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tional test or a system of assessments? What will be done to take advantage of all the work currently underway in the States? Kansas has adopted school improvement outcomes of the Quality Performance Accreditation system and addresses many parts of the education reform bill.

The new administration's concern is admirable, but we must strongly consider the role of the States in this matter. The trend in education seems to be for more top-down and not enough bottom-up reform, and there must be a balance. Please don't forget the role of the classroom teacher in determining standards. It is paramount that teachers be involved, not in a token way, but truly involved in reform. Teachers choosing teachers for reform involvement would give everyone a voice and a sense of ownership. Your National Education Standards and Improvement Council is a step in the right direction, but more teacher inclusion with this package would be admirable.

The idea of a national standard would require a national curriculum. I believe most of my colleagues would oppose this measure of a national curriculum. The word voluntary is used repeatedly, but is a national curriculum around the corner? Several nations of the industrialized world have this federal mandate, but we are different and unique. We are a nation of great creativity. I wish you could see some of the video work my students produce on social issues. The creativity and diversity of our population, when enhanced by our educational system, produces greatness. In discussing national standards, let us not forget the uniqueness of our country.

Here are some more thoughts from the classroom as you consider this bill. Please include advanced telecommunications in any portion of school improvement. Our small rural high school will use fiber optics to offer Russian and Japanese next year, plus a wide variety of other classes. Involve the business community in the research and development phase of reform. Finally, incentives for parental involvement programs, would facilitate student learning. The role of the parent is vital in reform.

A major concern of mine deals with the local teacher. I realize this is all voluntary, but the pressure again will be from the "top down" to adopt this system. Will this mean extra paperwork and Federal forms for the classroom teacher? As a teacher, will I have less options? We all hope this is not the case. I Invite you to Kansas and, more specifically, to Uniontown. Senator Kassebaum and I will help you find it on a map. Come and observe what our State and district are doing with curriculum, selection of materials, and in-service opportunities. Visit our wonderful regional cooperative at Greenbush and see innovative education. Many districts in this country are similar to ours.

Finally, being a fan of Walt Whitman, I want to paraphrase him. Every teacher at one time or other, walks each pupil to the window and with the left hand around the waist, points with the right, to those endless and beginningless roads. The teacher, with any reform package, should not lose the flexibility and creativity of the classroom to point out endless roads. Nor should the student be limited to certain roads from which to choose.

My history students thank you and salute your concern for their future.

The CHAIRMAN. Ms. Davis.

Ms. DAVIS. Chairman Kennedy, Senator Kassebaum, and other members of the committee, my name is Linda Davis, and I am the deputy superintendent in a very large urban district, the San Francisco Unified School District.

We have 64,000 students who come from diverse backgrounds and circumstances. Approximately 85 percent of our students are members of ethnic or diverse backgrounds; one-third of our students speak a primary language other than English, be it Mandarin or Cantonese Chinese, Spanish, Tagalog, Russian, Vietnamese, or other language or dialect.

Working with such a diverse student population, it is my belief that all children can learn. The President's education reform bill reflects this belief. By laying the groundwork for high standards, covering what all children should know and what they should be able to do, it raises educational expectations for each child, even those in the San Francisco Unified School District.

The fundamental key to actually being able to reach these higher standards and expectations means reform—systemic reform—from the federal level, from the State level, from the local level, school district and within classrooms. That is the most critical key I can share with you today.

I am heartened because I see this education reform bill including all of the main components that must be addressed simultaneously. Not only shall we look at the curriculum; we must look at teaching and learning, teacher development student support systems, and assessment.

In San Francisco, our teachers are struggling with the ideas of how do we look at what children know, and how do we have children show what they know, and we are linked in a support system with other teachers across the Nation, having these conversations and being able to connect and find out what works most effectively. We are partners in San Francisco in a 5-year science education reform effort with one of the most outstanding preeminent medical schools, the University of California San Francisco. We have developed a city science program together, where all teachers in elementary grades K through 5 are learning how to teach science in a much more exciting and thoughtful way.

With the help of reform-minded scientists, our classroom teachers are teaching one another how to teach science in a hands-on, effective manner. Learning materials have now been adopted which will support and be used as tools for classroom teachers to help every child be able to reason, critically think, and be able to solve problems on their own.

The other example I would like to share with you is another inside-outside organization called the Center for Collaborative Change. This is a broad partnership that is supported partly by Federal funds, the Federal Partnerships Program. It involves businesses, foundations, community-based organizations, parents, students and teachers, coming together for a threefold mission. That collaborative identifies and coordinates resources from within and without the district and has these resources directed based on school needs to improve student performance. The capacity for instructional innovative teaching is there, and we need to have more professional investment in how teachers do their business, and that means having communities of learners. We are all communities of learners together. So this effort has come together in a most efficient way to coordinate what we do so that we aren't disjointed and that some teachers in one school get vested interest in how to write better, and other schools have nothing. So we are trying to look at this whole effort as a partnership and an extension.

We recognize, though, as collaborators that change comes from the smallest unit, and that is the classroom, the classroom teacher. You can't mandate change, because not only does it require skill; it requires the motivation, the commitment, and the discretionary judgment on the part of those who must change. It requires the constructive shared meaning at every school site and in every classroom.

In closing, I believe that the "Goals 2000: Educate America Act" signals a renewed effort to reform our Nation's schools. I firmly support the administration in this effort and urge you to enact this bill.

Thank you.

The CHAIRMAN. Thank you very much.

[The prepared statement of Ms. Davis follows:]

PREPARED STATEMENT OF LINDA F. DAVIS

Chairman Kennedy, Senator Kassebaum, members of the committee. My name is Linda Davis and it is a pleasure to appear before you today.

I am the Deputy Superintendent of the San Francisco Unified School District, a large urban school district that educates 64,000 students from the broad range of backgrounds and circumstances. Approximately 85% of our students are members of ethnic minority groups. The district prides itself on this diversity and is committed to respond to the varied needs of all ethnic and cultural groups. One-third of our students speak a primary language other than English, be it Mandarin or Cantonese Chinese, Spanish, Tagalog, Russian, Vietnamese, or another language or dialect.

Working with such a diverse student population, it is my firm belief that ALL children can learn. The President's education reform bill reflects this belief. By laying the groundwork for high standards covering what all children should know and be able to do, it raises educational expectations for every child, including those in the San Francisco Unified school District.

The fundamental key to reaching these higher standards and expectations is reform—systemic reform that occurs simultaneously at the Federal, State, district, and individual school levels. I am heartened by this education reform bill because it includes the main components that must be addressed concurrently—curriculum, teaching and learning, teacher development, student support systems, and assessments.

Reform must focus on the development and interrelationships of those components—not just on structure, policy and regulations—but on deeper issues imbedded in the culture of the systems. In San Francisco in 1989, the teacher's union leadership and the district together wrote the Restructuring Schools Initiative which became the foundation for restructuring within the district. We have progressed, in partnership, to develop a learning organization that is seeking continuous improvement.

I will describe some of the progress in San Francisco that illustrates that the Goals 2000: Educate America Act is the foundation for what we know needs to happen to improve America's schools. We have become a community of learners and strive to reach decisions based on research and data. Our teachers are designing means of authentic assessment. Teachers work in collaborative groups and are joined in a national network that supports them in the development of authentic assessment tools.

We are partners in a 5 year science-education reform with one of the Nation's preeminent medical schools, the University of California, at San Francisco. Through this program, the science literacy of all the district's elementary school teachers is being improved. This city science program is an example of a regional coalition of reform-minded scientists and classroom teachers. Classroom teachers help one another to teach hands-on science effectively. Learning materials have been adopted which will assist teachers to provide high quality instruction to the children. This new process will get children used to solving problems on their own.

The final example I will talk about is supported partially by the Federal Partnerships Program. The total school community, including teachers, students, administrators, parents, businesses, foundations and community-based organizations have created a Center for Collaborative Change. This 3-year old endeavor is a joint venture to provide support and capacity for whole school change within the San Francisco Unified School District. The Center for Collaborative Change's three-fold mission is:

- to identify and coordinate the resources available for whole school change to improve student learning outcomes;
- to develop capacity for innovative instructional and professional development at school sites; and
- to strengthen collaborative working relationships between the school sites, central office and broader community.

Constituents who are a part of the Center for Collaborative Change recognize that you can't mandate change. It requires skill motivation, commitment and discretionary judgment on the part of those who must change. The center provides resources and support for whole school change.

Quick-fix solutions are not substitutions for the hard work, skill and commitment needed to blend different structural changes into a successful reform effort.

We recognize that it is not enough to achieve isolated pockets of success. Reform fails unless we can demonstrate that pockets of success add up to new structures, procedures, and school cultures that press for continuous improvement.

The Goals 2000: Educate America Act signals that the government will be a partner in the reform effort. Your leadership will lay the cornerstone that leads to essential restructuring in many areas, including the reauthorization of Chapter 1 of the Elementary and Secondary Education Act. This symbolizes a new beacon light of support and direction to all of us, nationwide.

I believe symbols are important because they are essential for galvanizing visions, acquiring resources and carrying out concerted action. The Clinton administration is designing Goals 2000: Education America Act to be a galvanizing force for all of us as we strive to solve the learning problems of students and teach ALL of America's children. I firmly support the administration in this effort, and urge you to enact this bill.

The CHAIRMAN. We have saved the best for last—Massachusetts. George Kaye, we are delighted to have you. We have great respect for the hospital; they have been very creative in infant mortality programs and a wide range of other health issues. Yesterday I was at the Shattuck Hospital in Boston, where we had a hearing on tuberculosis. We have a good program in Massachusetts. And one little point. The average time in your hospital, as I understand, is 6.3 days; for a homeless person, it is 18 days average time—for the obvious reasons of more complexity.

In any event, we are glad to have you.

Mr. KAYE. Thank you for your kind comments, Mr. Chairman, Senator Kassebaum, members of the committee.

I am vice president for human resources at Brigham and Women's Hospital, which is a 720-bed acute care facility that is affiliated with Harvard Medical School. We employ approximately 7,500 individuals and have approximately 1,500 physicians affiliated with our staff. I am very pleased to be here this morning to testify in favor of the President's bill.

I am the person at the hospital who is responsible for hiring qualified, competent and efficient staff to run our hospital and provide quality patient care. Having been in human resource management for over 25 years, I have seen times of great shortage of qualified help, and I have seen times of abundance. Right now, because of the economy, we are in what appears on the surface to be a time of abundance. However, this is only a temporary State of affairs, and the future portends the return of shortages, especially in technical areas and areas that will require computer literacy.

Two years ago, I chaired a Commission of the American Society of Health Care/Human Resources Administration, which produced a report called "Healthcare 2000: A World of Human Resource Differences." In the report, projects were made about the supply of qualified people who would be available in the year 2000 to fill important jobs in health care. The projections are bleak, and I will share just a few of them with you. Registered nurses, a vacancy rate of 12 percent; respiratory therapists, a vacancy rate of 19 percent; physical therapists, a vacancy rate of 15 percent; medical technologists, 46 percent, and pharmacists, 36 percent.

At the same time that all of the above is coming into play, another trend has paralleled my career in human resource management. That parallel has been the general decline in the quality of education that we provide to our children and to my future employees. I can cite some of the reports that have been cited this morning, but I shall not do that.

I can tell you, though, that 2 years ago in the city of Boston, we graduated 3,000 youths, and only one of those went on to nursing school. On the other hand, I can point to wonderful programs like Project Protech, which is a vocational 2 plus 2 model of teaching juniors and seniors from the Boston schools to earn their way to careers in health care. But the bottom line is that there are too few such programs, no defined standards of skills, and at the rate we are educating our youngsters, we will not be able to hire them to move this work force and American industry into step as a serious player in the world marketplace of the future.

I am very concerned because I see children graduate who are not literate, who are not numerate, who do not know how to use computers, while at the same time, our business world says that these are the basic skills our employees must have.

As a major employer in Boston—by the way, Boston health care employs 13 percent of the city's population—I do not see us properly educating the population that I will desperately need to staff my hospital.

In terms of the bill before you, it does allow for systemic reform and tracking of the changes we need in education. As I said earlier, there are thousands of little projects out there, but none comprehensively address reform. This Act allows for that.

One issue that I have heard discussed a lot is the issue of what response our students will have to these reforms. Let me tell you from my Project Protech experience that these children can and do respond to the challenge of being educated and being held accountable. I have seven seniors in Project Protech; there are 47 of them in the city of Boston, which is run by a collaborative of seven Boston hospitals. These are inner-city kids who were recruited into the program, and they are treated as employees. They are disciplined, they are held to high standards, and they respond.

My seven have increased their grade average by a whole grade since coming into the program last year as juniors. All seven have been accepted into college. These were kids who had no notion of where they were going when they came to us in the first place. Today, they are valued part-time employees who will go off to colleges next year to learn to become an ophthalmology technician, a physical therapy technician, two nurses, a computer operator, a radiology technician and a paralegal. Right behind them is a junior class of 61 who will follow in their footsteps.

The mentors of these young adults all report a similar phenomenon: The more you challenge these kids, the more they want to learn. And here is where it is all-important. Whether it be children or adult workers, those people want to improve themselves. We need to have a system in place to help them do that. We need to be able to say that these are the skills we employers value and need at our workplace; these are the standards you need to reach to be employed in a good job. In our Protech program, this is exactly what we are doing for some 108 students. We tell them what standards they must reach and maintain. We teach them skills they will need to succeed. They know what they have to do, and we need to have a system that will do the same for all industries in this country. And all this should be portable, so that a student who gets educated in Boston can carry that skill base to Los Angeles or Detroit and know that the same skill standards will be needed in those cities.

Until we match what skills we as employers need with what and how these skills are taught in our schools, and until these students understand and know what skill standards they must achieve to become gainfully employed in good jobs, our education system and future employment possibilities will suffer, and we will not be able to compete in the world marketplace. The bar code will replace the need for an alphabet and numbers, and we will all be the poorer for that.

Thank you.

[The prepared statement of Mr. Kaye follows:]

PREPARED STATEMENT OF GEORGE H. KAYE

Chairman Kennedy, Senator Kassebaum, members of the committee:

My name is George H. Kaye and I am the vice president for Human Resources at Brigham and Women's Hospital in Boston. I have held that position since 1978. Brigham and Women's Hospital is a 720 bed acute care, teaching hospital affiliated with Harvard Medical School. We employ approximately 7,500 individuals and have some 1,500 physicians affiliated with us. I am very pleased to be here this morning to testify in favor of the President's bill.

From 1988 to 1991 I was president-elect, president and past president of the American Society for Health Care Human Resources (ASHHRA). This professional organization has approximately 3,000 members and is affiliated with the American Hospital Association. While serving in these roles, my interest in literacy in the United States grew and became the issue on which I spoke around the country.

In my role as a vice president for Human Resources, I am the executive responsible for hiring qualified, competent and efficient staff to run the hospital and provide both administrative leadership and quality patient care. Having been in human resource management for over 25 years, I have seen times of shortage of qualified helps and times of abundance. Right now, because of the economy, we are in what on the surface appears to be a time of abundance. However, this is only a temporary state of affairs and the future portends the return of shortages, especially in technical areas and areas that will require literacy and computer literacy.

Two years ago, I chaired a commission of the ASHHRA which produced a report called "Healthcare 2000: A World of Human Resource Differences." In the report, projections were made about the supply of qualified people who would be available to fill important jobs in the health care industry by the year 2000. The projections are bleak and just to give you an idea the report points to vacancy rates in the year 2000 like these: rns—12%, respiratory therapists—19%, physical therapists—15%, medical technologists—46%, pharmacists—36%.

At the same time that all of the above is coming into play, another trend has paralleled my career in human resources. That parallel has been the general decline in the quality of education that we provide to our children and to my future employees. I can cite declining rates in standardized tests. I can cite studies that show American youth are behind those of England, Japan, Canada, and Korea. I can tell you that 2 years ago, when the Boston public school system graduated 3,000 youths, only one went on to nursing school. I can also point to wonderful programs like Project Protech, which is a vocational 2+2 model of teaching juniors and seniors from the Boston schools to earn their way to careers in heat care. But the bottom line is that there are too few such programs, no defined standards of skills and at the rate we are educating our youngsters, we will not be able to hire them to move this work force and American industry into step as a serious player in the world marketplace of the future.

I am very concerned because I see children graduate who are not literate, who are not numerate, who do not know how to use computers while at the same time our business world says these are the basic skills our employees must have to be a labor force that competes in the world marketplace. As a major employer in Boston (we employ 13% of the population of that city in healthcare), I do not see us properly educating the population which will desperately need to staff my hospital in the future.

In terms of the bill before you, it does allow for systemic reform and tracking of the changes we need in education. As I said earlier, there are a thousand little projects out there, but none comprehensively address reform. This act allows for that.

One issue that I have heard discussed a lot is the issue of what response to educational reform our young students will have. Let me tell you from my Project Protech experience that these children can and do respond to the challenge of being educated and being held accountable. I have seven seniors in Project Protech. There are 47 in the program which is run as a collaborative by seven Boston hospitals. These are inner city kids who were recruited into the program and they are treated as employees. They are disciplined, they are held to high standards, and they respond. My seven have increased their grade average by one whole grade since coming into the program last year as juniors and been accepted into college. These were kids who had no notion of where they were going when they came into Protech. Today they are valued part-time employees who will go off to colleges next year to become an ophthalmology technician, a physical therapy technician, 2 nurses, a computer operator, a radiology technician and a paralegal. Right behind them is a junior class of 16 at my facility who will follow in their footsteps. There are 61 juniors in the program citywide.

Let me also tell you about the response to discipline. If you ask any of these students what it means when they are absent from work, they respond "I let my coworkers down." One of the hardest days in the life of a supervisor of one of these students was when she had to discipline this student for being excessively tardy to work. She said that it did not make any difference that this student's mother was a drug addict and sister was dying at age 16. The student had to come to work on time, or else lose the job. The student was put on final warning. The next week the supervisor received a note, "you are hard and strict, but you are fair." The student will graduate on June 12, and go to college next September, on the way to learning all about computers.

The mentors of these youth adults all report a similar phenomena. The more you challenge these kids, the more they want to learn. And if you ask them what they will be studying for, they will tell you "for something I never heard of until I came into the hospital". This is a 2 year turnaround!

And here is where it is all important. Whether it be children, or adult workers, they want to improve themselves and we need to have a system in place to help them do that. We need to be able to say these are the skills we employers value and need at our workplace. These are the standards you need to reach to be employed in a good job. In our Protech program, this is exactly what we are doing for some 108 students. We tell them what standards they must reach and maintain. We teach them skills they will need to succeed. They know what they have to do and we need to have a system that will do the same in all industries in this country. I can track and watch my students. I can help change curriculum when it needs to be changed to help the students better learn a skill they need. And all this should be portable so that a student who gets educated in Boston can carry that skill base to Los Angeles or Detroit and know that the same skills standard will be needed in those cities.

Until we match what skills we as employers need with what and how these skills are taught in our schools and until these students understand and know what skill standards they must achieve to become gainfully employed in good jobs, our education system and future employment possibilities will suffer and we will not be able to compete in the world marketplace. The bar code will replace the need for an alphabet and numbers and we will have to settle for a second rate society which will no longer be a world leader.

The CHAIRMAN. Thank you very much. We are going to do a special hearing on the skills aspect, but certainly what you have outlined here is something that we would hope to be able to achieve in a variety of different ways for young people.

Let me ask you, Mr. Kaye, you must have talked to other hospital administrators; do you find that the challenge you are facing at Brigham Hospital exists generally in Boston and other major cities around the country?

Mr. KAYE. It definitely exists in Boston, and it exists across the country. The program that I refer to is a seven-hospital collaborative that, even though we are in a competitive health care delivery system, when it comes to this issue, we do not compete because we know the stakes are just too great. We have to cooperate. It doesn't make any difference if somebody works for me or goes across town, as long as they become an educated member of our discipline; that's what is important.

The CHAIRMAN. That is a very enlightened position.

I am going to have to necessarily excuse myself at this moment, and Senator Kassebaum has some further questions, but I want to express my appreciation to the whole panel for very constructive and helpful testimony. And as we move through this process, we hope we can draw on you for continued exchange; we'll have different recommendations from members of the committee and from the administration, and we'd like to be able to draw on you as resources, because I think you have given a great deal of thoughtful attention to these issues which we are addressing. So I thank you very much.

Senator Kassebaum.

Senator Kassebaum [presiding]. I would agree with the chairman. I think it has been a very interesting panel, largely because you all are there where you are working every day with these issues.

As you all know, last year we had similar legislation before us and spent some time trying to put it together. It had "Goals 2000" and various remedies, many of which are in this legislation as well. In some ways, I had the same nagging problem about that as I do about this, which is: Is this really what is necessary to improve our children's education?

Nearly all of you have spoken of the importance of this as an incentive and I don't disagree with that. I think that everyone interested in education believes that we need more systemic, more comprehensive efforts, and yet done in a way that could squelch the creativity and innovation that comes at the local level.

Of course, being a bit parochial, I happen to think that in Kansas, perhaps as in Vermont, we have an opportunity to be more hands-on than, say, San Francisco, and that we are able to work closer to the source working with the challenges that exist.

I strongly agree with all of those who have said that students will respond to higher challenges. If we lift expectations of them higher, they will meet those expectations.

Maybe this is too broad an approach, but if you had to put together Federal legislation at this point, what would be a top priority that you feel would need to be in an education reform bill—not the specifics of Chapter 1 or Chapter 2 that will come with reauthorization of the Elementary and Secondary Education Act, but in a broad outline of Federal involvement as we look to education reform, is there any one thing that you think needs to be stressed?

Dr. Mills, perhaps we could start with you.

Mr. MILLS. I think we have to bring the Federal partner into the same game that the States and local communities are in. Right now, you have parallel systems almost in contention with one another in every school. You can see it when you tour a school. That's where we do Chapter 1. I think you get the point. We are not firing on all cylinders, if I could change the metaphor. It is important for everybody to be together.

If I could say one other thing—and you did ask for the top one—I would say to make the expectations clear. It is important to have a balance between standards of result and standards of opportunity. And this thing will work if we have made that a real balance, so that we can say to a child we really do mean world-class performance in science—and by the way, we want to show you the laboratory. There have got to be high standards set for results and a real chance to get there.

Senator KASSEBAUM. High national standards.

Mr. MILLS. National may not be high enough. I think people are talking about world-class. We benchmark our performance against a handful of other States, and we do that because I suspect they are benchmarking their performance against the world's best.

Senator KASSEBAUM. You would not support, I would assume, a national curriculum, however.

Mr. MILLS. No, I don't think there is much possibility of that. There is such tremendous leadership among teachers—and you have seen that today—that will preclude that. But there is the need for a nationwide alliance. In fact, there are many nationwide alliances to get the math standards right and to think about what the pieces of a curriculum would look like.

Kentucky, for example, at a meeting recently challenged a group of my colleagues to help develop curriculum units. They said they were going to try and develop 60 of them in different parts of the program. We aren't going to let Kentucky get away with that; we're going to match them. And that is the way innovation happens.

This is an opportunity for mutual growth.

Senator KASSEBAUM. Well, I would agree with that, but I think the illustration you gave is one that is important to remember, that we don't constrict it, either, with these Federal guidelines, which could perhaps take away some of that challenge that you would feel toward what Kentucky is doing. I think it is very important that we not loose sight of that as well. I guess that has been my concern—and maybe we won't, with those of you who are engaged in education who will be fighting to make sure that it doesn't become an oppressive hand from the federal level.

Do you have school-based management initiatives in Vermont?

Mr. MILLS. Yes, we do, and interestingly enough, it is coming from exactly the right place. You can't really change governance from the top in a State like Vermont. You have to listen to local school boards and teachers and principals and so on. A large panel of such people has worked for the last year to develop a much more sensible, much more locally-based system of school governance. I think it is likely to work simply because it is coming from where it is coming.

Senator KASSEBAUM. Thank you very much.

Mr. Conard, do you have a priority that you would place at the top of the list if you were doing this Federal legislation?

Mr. CONARD. Well, first of all, Senator, just very quickly, to put reform in perspective, I have a quote from history, which goes something like this: To be competitive in the world, we need reform, and we need it now. That quote wasn't presented by a politician or someone in education last year, but by Horace Mann in the 1840's. So reform and school transformation is an ongoing process.

But to answer your question, I agree with Mr. Mills. Some of the States in our country have outstanding examples of successful programs in education—Vermont and Kentucky, Kansas, Washington. It would be my suggestion that the Federal Government might examine these States, find out what is working, and then try to implement those programs on a national standard. But let's look at the States and see the States that are being very successful with educational programs, States that are involved in site decision management, States that are letting the local schools and local teachers and local school boards and administrators set the plan and set the standard for that State—and in Kansas, as you well know, one of the strong parts of our quality performance accreditation is allowing the local school teacher and administrator to set the standards, and then putting that standard in some State form. So again it goes back to what Senator Gregg said, and all of you have touched on at one time or another, this bottom-up philosophy of allowing the local teacher and the local community to set the standard. And that would be my first desire, again, an involvement on the local level of the teacher, the community, the school board—and more teachers in this kind of activity in the Senate hearings, and more teachers involved in writing these bills and putting them together.

Senator KASSEBAUM. I think that would be a good idea. However, maybe once teachers got started doing it, they wouldn't like to do that part of it, either.

Ms. Davis, as an administrator, let me ask you how much do you value staff development? Are you working with that to a great extent in the San Francisco system, a support system for staff? I am amazed when I visit magnet schools, for instance, at the energy and the innovation that is required for a good teacher to handle that type of classroom situation. Hardly any classroom today is like they used to be 40 years ago, and a good teacher today really has to have a tremendous amount of energy and innovation.

Are you focusing very much on staff development and support systems?

Ms. DAVIS. It is a priority, because as we develop our class, so we improve the quality of education and what happens in classrooms. Teaching is a very personal act, so it depends on the critical interaction between student and teacher. And students teach other students as well. We learn in many ways. When I say to you that we are a community of learners, that means that we all learn from one another; and when we can foster cooperation in the classroom and help teachers to hone in on their skills, to deal with the diverse students, for example, in San Francisco, then we are impacting positively on the lives of all those children.

I want to expand my answer a little more about the community of learners, because I see that going, as you say, nationally and internationally. We have had the ministry of French education invite educators from California to share what we know. And I would say that one role the Federal Government can play is to really provide those linkages. When I talk about structural change, our teachers are thirsty for knowledge, for interaction with colleagues, from Kansas, from Vermont. So to provide linkages where teachers can really solve problems together with other teachers best, I think, provides the meat for staff development as well. It comes in many forms, many fashions, and providing professionals the time, the quality to reflect and to be able to interact with each other I think is critical for staff development, for staff renewal, and for effective teaching.

Senator **Kassebaum**. Thank you very much.

Mr. Kaye, I have another tack I'd like to take with you. You spoke about the Protech program and the fact that you had developed the skill requirements for that program.

Mr. **Kaye**. Yes, ma'.

Senator **Kassebaum**. Would you not feel that it works best to have those skills developed for, say, Boston, for the particular time and place, with the shortage of the nurses and other health providers, rather than trying to set skills standards nationally?

Mr. **Kaye**. Well, I would say that short-term, that is probably what we need to do. But I am always concerned about long-term. When we do educational reform, we make this assumption that somebody is going to live wherever they are for the rest of their lives, and that is not the case. It would be much more effective for the health care system in this country if the person who is being trained in my high school, going on to my community college, because they can't go to my community college, can go to a community college in Los Angeles. And if we can certify to these children that if you meet certain standards in Boston, you are able to go someplace else, you are not chained to Boston, I think that is the first step in opening this up.

There are so many good programs out there. I have been in this business for 25 years, but what I have done is I have thrown money here, and I have thrown money there, and these programs prosper for a year or 2 years, and then, poof, they are gone. There is nothing out there that is trackable, that is measurable, and that keeps growing and growing in size, so what happens is that I, as the employer, after these children have been out of school for 10 or 15 years, either because they have graduated or dropped out, they are showing up at my door with a high school degree that doesn't show me that they know anything. And it is that part that I am really concerned about, because then I will spend my money—which is really not my mission as a health care institution to be educating adults or children—maybe I need to move that back earlier in the process. Anybody who gets educated in this country except for the intelligentsia gets educated so that they can do a job and do a better job. Now, somehow, we have got to get industry involved in telling the schools, "This is what we need," so that these students can become better as adult citizens. Does that answer it?

Senator **Kassebaum**. Yes, to a certain extent. I suppose my own basic philosophy is to make sure that we take into account some of those skill developments that are being developed for a particular situation but I certainly can appreciate the fact that you want to carry it with you. We are so much more a mobile society today.

Mr. **Kaye**. But really, the shortages I talk about—if we are going to have a 46 percent vacancy rate in medical technologists, someone is going to have to support a medical technologist. My big concern is that in one State, you will develop one person who will do that, with a certain job description and skills, and then across the country, they'll do similar, but not the same thing, and those positions won't be interchangeable, and those people will be bound to their communities and not be able to take their education and move.

Senator KASSEBAUM. Thank you very much. I have certainly appreciated the excellent testimony.

Senator Jeffords.

Senator JEFFORDS. Thank you, Madam Chair.

I would like to pursue along this basic line, but first, Mr. Mills, you heard a number of the members on my side who are extremely concerned about the goals, etc., being so prescriptive that it would interfere with the individual initiatives of the States, Vermont already being recognized today as one of those that has had a bottom-up approach to reaching a State plan and State educational goals, etc.

Do you share the concern that the rather prescriptive approach taken in this bill would interfere, and if so, how should we correct it so that that fear could be diminished?

Mr. MILLS. I think "fear" would be too strong. It is a word of caution. I know that the administration has tried very hard to listen to the States. I have had many calls, and so have others, and they really are trying.

My word of caution is to make sure that there really is a light touch, as I said, in the way these plans work. There is kind of a presumption that there should be only one way to put the plan together. There is a presumption that a State panel ought to be created and ought to carry on certain kinds of oversight responsibilities. That really feels like an intrusion into a State's way of doing this. That kind of intrusion might make sense if the States weren't moving, but the States in fact are.

I would have a caution about the kind of regulations that would be established later. The Secretary has tried very hard to keep this voluntary and keep it illustrative rather than mandatory in most of the elements of the plan. But there is a bureaucracy out there that deals in a particular way when it sees a Federal plan, and I want some indication that the culture and the structure of that organization is going to change. I know from experience how difficult it is to change bureaucracies. It takes years.

By and large, however—and I have spelled out in my written statement some specific suggestions for change—I think this adds up to a good idea. I think it would be helpful to a State like Vermont, and I think it would be helpful because it would put the weight of the Federal Government, the national Government, behind the need for high standards; it would put some venture capital behind local schools. One principal said to me, "You know, it would be worth my job as a principal to get just $10,000 to do something radically different."

I have seen how much innovation comes from a group of teachers and principals and community members with the offer from a State legislature of a tiny amount of money—in our case, it was $150,000; it blew the doors off the room when we had an opportunity to explain to them what that challenge grant was all about. So small grants of $20,000, $30,000, $40,000 can start a process that will transform a school. And one of the things that is powerful about this bill is that it will put some real change money in the hands of local people.

I understand that half the money goes to the States in the initial year, and I think one of the things we would probably do is push more of that money down locally, not to top off the programs they already have, but as a challenge to stand and deliver, to do a very different thing and be willing to prove results.

Senator JEFFORDS. So would it be better to at least try to State what the overall goal is, that is, to allow the Federal Government to assist in discovering and defining programs that are successful and then to facilitate the sharing of that information and the ability of the States to implement those kinds of programs? Is that something that we are aiming at and trying to do?

Mr. MILLS. We are certainly looking for that, but the change is happening so fast in communities and in schools and in States that it is a massive job—it is an impossible job to keep up. We don't need what we used to call clearinghouses. It is just happening much faster than that. We need real partners. We need a Federal Government, we need State governments, we need local communities all moving not in lockstep, but in unison, toward a common vision of what this country could be if we really sat down to create a system where every child could grow to very high skills, with no exceptions and no excuses. We haven't got that now.

Senator JEFFORDS. What does a world standard or goal mean to you as far as a standard of educational excellence?

Mr. MILLS. Well, in mathematics, for example, I think it means much more than the ability to deal with or to answer a long series of identical long division problems; long division is really important, and we've got to get that. But the world doesn't come up to our door in the form of worksheets. We have to have the ability to solve problems we have never seen before. We have to be able to define the problem. We have to know when to look at an answer and say "That doesn't make sense. I know I got it from the calculator, but it doesn't make sense."

We need people who can use mathematics to describe pattern and to deal with probability and chance.

In other words, we need a much deeper level of skill in mathematics, in writing, in communication, in problem-solving and so on than we have ever thought possible, but we need it for everybody. We need it for economic reasons, we need it just so that we can carry out full share of the burden as a free people.

Senator JEFFORDS. Does that mean to you that our nationwide scale, that opportunity to attain that standard, must be available? Obviously, we don't mean that every student should be a whiz in mathematics.

Mr. MILLS. No, of course not. But we do need opportunity-to-learn standards to balance with performance standards. I am thinking of two schools in my State. I won't name them, but I'll tell you later who they are. One school has lots of computer technology, is very experimental; they have a part of the building where they can test out new ideas, and if they work, they can spread them. There is powerful involvement with local businesses. They have telephones in teachers' rooms—what an innovation that is—that means that they can network with their colleagues all around the State, and they do.

I can think of another school where people are just as caring and they try just as hard, but the place is jammed. The building is in terrible shape. The special education room looks like the area behind a door. The guidance is conducted in a room that kind of looks like the cellar.

I have been in both of these schools. The people want the best for their children, but they don't have an equal opportunity to learn. We have got to make the results we expect really clear, so clear that it doesn't take commissioners to explain it, but just anybody can say to the commissioner, "This piece of work here isn't up to standard. We want high standards around here." We also at the same time need to say, "The kid had a real chance." I'll talk to you about the library. I'll talk to you about the lab. I'll talk to you about the capacity of teachers. I'll show you how the assessment is really connected to the standards. It doesn't need to be a lot, but it has got to be tied together.

Senator JEFFORDS. Now I'd like to shift a little bit, and yet it is still relevant. The law demands that we give an appropriate education to students with special needs, and you expressed some concern about the problems now with special education and filling goals in the classroom. I wish you'd give us a little better idea of what those concerns are and how you would rectify them.

Mr. MILLS. I think people are reluctant to get into this issue, and I am urging all of you to get into it. There are some children who are in special education only because there isn't any other way to provide the support. If a child like that gets into special education, some bad things can tend to happen. Expectations drop. They are somehow separate. The paperwork and the red tape and the process mount. Some of the most gifted teachers I have ever met are teachers of special education, but they have come to me and said, "You have got to do something about all this paper." Some of it comes from the State level, and we are committed to dealing with that.

We want to see a Federal partner who is going to link arms with us and try to do a better job for these kids. What does it mean, practically? It means that a school ought not have to lose the money if they figure out a way to educate the child in the regular classroom, because that's what the child really needs. There ought to be a way for that child to get the extra support that he or she needs to stay in the regular classroom without being labelled.

We have done that at the State level through a lot of training. It wasn't an awful lot of money; it was only about $360,000 a year for training for teachers, regular classroom teachers, to allow them to be skilled enough to deal with a wider range of need. We have done it through changes in the funding system. Through regulations, we are going to change the way we count allowable costs so that we will in effect pay for a group of professionals in a school out of special education money whether they do special education work or not. The main thing is what happens to the children.

I vividly remember when my colleague Dennis Kane came to me and said, "We have a 6 percent drop in special education enrollments." I thought he was there to cheer about that. What he was there to do, however, was to say, "Now we need to go out and talk to those children and their parents and their teachers to make certain that they didn't lose anything." What we in fact found was that they gained.

Senator JEFFORDS. As one of the authors of 94-142, I take a special oversight interest in these cases, and I know we need to do some work there, and I know how sensitive it is to get into that area, and I appreciate your comments.

I would appreciate comments on any of these aspects which I touched on from other members of the panel.

Ms. DAVIS. Senator Jeffords, I'd like to comment a little about your concern and protectionism about what this Federal legislation might do to States or local control. I was reflecting about how, a few years ago—and I am telling my age, too, about how long I have been in the profession—how we were afraid of proficiency standards, and we thought this was going to squeeze out those students, put a label on them, and not let them graduate. We even had some lawsuits from advocacy groups around ethnic minority students not being able to meet these proficiency standards.

And now we look back, and that was the floor. What we are really looking at is how do we set the standards for the ceiling now so that we can really give impetus to every educator, every citizen, to expect the most from every child, every human being—not just to fill the job market, but to be thinking, critical, caring human beings, good citizens in this Nation.

So when you talk about the standards and where they are going to go, we are always concerned when we don't know about the unknown—the worst thing to fear is fear itself; I don't think FDR would like my way of quoting him—but my concern and call to you is that the profession is saying this is what we need to do, and we need to listen to our professionals.

The first standards that I can recall that came up from the National Council for Teachers of Mathematics was the first call to say what every student should know as far as thinking mathematically is concerned.

So I would say to you listen to your cues, listen to those professionals who are saying that we need to reach consensus; we need that support to really be the best deliverers of education in our country.

Thank you.

Senator JEFFORDS. I think there is a confusion between goals and standards, and I'm not sure where the distinction is in this bill, but it seems to me the goals are what you want to try to reach; a standard is more likely to be something that we'd like everyone to try to attain as being a potential for them to have an adequate education. I think we have to clarify the difference in those matters.

Norman.

Mr. CONARD. Senator, you mentioned a world school, and certainly we are a global community today; 50 years ago, it didn't matter to a farmer in Kansas too much what happens around the world, but today, because of our international marketplace, it matters a great deal, so we are a world community.

And certainly we should be considering in the classroom this world community in every subject, an integrated discipline and an integrated curriculum. I am not quite sure that the Federal Government in legislation in some ways would cause this particular classroom situation to be enhanced.

I do know in Kansas, without legislation concerning bills like this, we have in our rural high schools Russian and Japanese; you can take an international language in a wide variety of subjects. Senator Kennedy was explaining to me before the hearing about a school in Boston that hooks up via satellite, and they can go to the Galapagos Islands and interview a deep sea diver who is exploring by satellite. So there are wonderful options going on, and again, maybe I have a similar fear of the Federal Government not listening to the local community or the State about what is going on in those areas.

Also, there is so much innovation in the field of education today. We read newspaper articles about the math scores of American students compared with Japanese and German students, and we are not reading stories about great innovation and creativity among our students.

My students in Uniontown, KS—and I'm sure the panel would agree—are much more creative than I ever dreamed of being when I was in high school. And given the proper resources and the proper responsibilities and the proper opportunities, they will show that creativity. But again, there is some fear about Federal legislation somehow stymieing or causing the State or the local community that has been successful to be hindered to some degree.

Senator JEFFORDS. George.

Mr. KAYE. I have an ongoing concern about standards versus goals, but I come from the city, and I also come via New York City. And in listening to all the creativity that's going on in education and business, yes, there are wonderful programs out there, but the baseline I think is one that I have to look at from an inner-city person of reality.

I talked about my current program. We took in 97 children in the first year. We are going to graduate 47. The rest fell out for whatever social, economic, or skill problem. The first set of exams that hit these juniors, all of mine failed math and science. And my response had to be: Get tutors. Get them in here. And then, of course, I had to get the kids to come to meet with the tutors. And then, of course, we had to restructure the program so that the tutors came on Friday from 12 to 2, and the kids didn't get their paychecks until 2:00—wonderful attendance every week.

But it is so basic. It is that basic. It is basic enough that I can bring 16 juniors into my facility, and 14 of them had never sat down at a computer keyboard, didn't know what it was.

There are so many students in major cities who are in this horrible condition who need to have something to strive for by the time they are 15 or 16 to be able to say, "This is how I get beyond where I'm at now." And that has got to be part of the reform that we go through. When you go to Germany, a child at 15 or 16 will tell you, "I want to do X, Y, or Z, and then after I get that skill, I'll go on, and I'll become a professor, or I'll go to university." That is so missing from our system. I don't want us to lose sight of that fact that it is just so basic to the core of many of our inner cities.

Senator **Jeffords**. That's an excellent point. I am supposed to be at three different lunches right now, and I know you are all getting hungry, but I just want to close by saying I think we have also got to keep in mind that there is a lot more to education than just providing the opportunity. It is the ability to be able to get to the inner cities where we've got some serious problems with motivation; there is no question about that, and we have to deal with that. It is going to be very hard to do this.

I remember visiting with Chinese and Japanese educators, who are amazed at the flexibility our system has for our students to be able to learn about their community and the world and how to get along with each other, whereas they are so restrictive that their students come out being afraid to take any risks. So probably there is a happy medium somewhere in between, and I wouldn't get too excited about our system because we have our own problems. But I think we have to be careful that we broaden our perspective on what is necessary in education and not try to refocus it all in one direction. The inner cities, even though I come from rural Vermont, it bothers me tremendously as to what we can do to fill the lives of the students all during the day in preschool so that they are in a capacity to be able to learn and to come out with some goal, as you mentioned, and know where they are going and where they are going to live, other than with the street gangs.

So we have a lot of tough problems, and we want to make sure we focus our goals a little more broadly perhaps than just changing it because we have an immediate need.

Thank you, Madam Chair.

Senator **Kassebaum**. Thank you again very much. It has been a most interesting panel, and I appreciate everyone coming to testify.

That concludes the hearing.

[Whereupon, at 12:55 p.m., the committee was adjourned.]

NATIONAL SKILL STANDARDS: GOALS 2000: EDUCATE AMERICA ACT (TITLE IV)

FRIDAY, MAY 14, 1993

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:06 a.m., in room SD–430, Dirksen Senate Office Building, Senator Edward M. Kennedy (chairman of the committee) presiding.

Present: Senators Kennedy, Simon and Kassebaum.

OPENING STATEMENT OF SENATOR KENNEDY

The CHAIRMAN. We'll come to order.

In the summer of 1990, a commission of distinguished Americans issued a report entitled, "America's Choice: High Wages or Low Skills," which set out in compelling terms the choice which confronts us as we prepare to enter the 21st century. If we want to increase productivity, restore our ability to compete effectively in the global economy, and maintain and improve the standard of living for all Americans, we must substantially increase our investment in our most valuable national asset—our people. If we choose not to make that investment, the likely consequence is that we will continue on a course that means real hardship for the majority of working Americans.

Already, over the past 20 years, we have seen real wages decline more than 12 percent while income inequality mounts. As the incomes of the top 30 percent of wage earners have increased, those of the other 70 percent have spiralled downward.

To reverse that trend, it is not enough to have better machinery or newer technology, because low wage countries have access to the same machines and the same technology. To achieve the level of growth required to maintain a high standard of living, we need to radically change our approach to the education and training of our work force and the way we organize work.

In their report, distinguished leaders from business, labor, education and Government who sat on the Commission which produced the "America's Choice" report issued a sweeping series of recommendations for fundamental change in our education and training systems.

Our hearing today is on legislation to implement a key recommendation of that report, by creating a new National Skills Standards Board to oversee the development of a voluntary national system of skill standards for use in the training of our workers.

Public and private training efforts currently suffer from the lack of a national consensus as to what kinds of skills workers should be acquiring to meet the challenges of a competitive economy. There is no system by which to measure whether particular training programs are effective in providing workers with such skills and no system to certify that workers have attained those skills.

The legislation we are considering to create a National Skills Standards Board would create a framework for development of industry-based standards for training workers and industries that do not currently have such a skill development system in place. Once developed, those standards could be used by Government agencies as a means of ensuring that public training funds are used effectively. That's an extremely important aspect. We spend close to $14 billion in various training programs, and the result of this legislation will be to give us much greater accountability as to how those funds are actually being expended and how effective those programs are.

Workers will also benefit by being able to select training programs based on whether they conform with the recognized industry training standards. Employers will benefit by being able to assess the skill development needs of their workers and improve their return on training investments. Moreover, the U.S. will be joining the ranks of other modern industrial societies which have made uniform national skill standards the centerpiece of their training systems.

Several of the witnesses we have with us today are individuals who have had direct first-hand experience with what skill standards can do to raise the skill levels of the work force and improve our ability to compete, and I look forward to hearing from them and working with my colleagues on the committee to enact this important legislation.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF SENATOR KENNEDY

In the summer of 1990, a commission of distinguished Americans issued a report entitled America's Choice: High Wages or Low Skills which set out in compelling terms the choice which confronts us as we prepare to enter the 21st Century. If we want to increase productivity, restore our ability to compete effectively in the global economy, and maintain and improve the standard of living for all Americans, we must substantially increase our investment in our most valuable national asset—our people. If we refuse to make that investment, we will continue on a course that means real hardship for the majority of working Americans.

Over the past 20 years, we have seen real wages decline more than 12% while income inequality rises. The incomes of the top 30 percent of wage earners have increased, but those of the other 70 percent have declined.

To reverse that trend, it is not enough to have better machinery or newer technology. Low wage countries have access to the same machines and the same technology. To achieve the level of growth required to maintain a high standard of living, we need to change our approach to the education and training of our work force and the way we organize work.

In their report, leaders from business, labor, education and government on the Commission which produced the "America's Choice" report issued a sweeping series of recommendations for fundamental changes in our education and training systems.

Our hearing today is on legislation to implement a key recommendation of that report, by creating a National Skills Standards Board to oversee the development of a voluntary national system of skill standards for training workers.

Public and private training efforts currently suffer from the lack of a national consensus as to what kinds of skills workers should be acquiring to meet the challenges of a competitive economy. There is no system to measure whether particular training programs are effective in providing workers with adequate skills, or to certify that workers have attained those skills.

Instead, we have a highly fragmented system of public and private training that is not teaching workers skills that are relevant to many existing or future job opportunities. Under the Job Training Partnership Act, every community has its own Private Industry Council, which contracts with providers to offer training in various different skills, but with no uniformity in the content or quality of the programs.

Workers in our area might be referred, for example, to a program in computer operator training. Because there are no recognized standards for training in that field, the workers in the program have no way of knowing whether the skills they will be taught are skills that are valued by employers, or whether the program is effective in providing those skills.

Similarly, when workers complete training go for job interviews, their prospective employer has no way of knowing what kind of training they received, and whether the training is relevant to skills the employer needs. The workers have no credential to assure the employer that they have acquired particular skills.

Moreover, the officials responsible for overseeing the expenditure of public funds for worker training have no reliable way of measuring whether the money spent in putting workers through training programs is spent well.

Perhaps the best—and one of the only—models we have in this country for a more effective training is the building trades apprenticeship system used in the unionized construction industry. One of the key elements of that system is uniform training standards developed jointly by employers and unions in the relevant industry. These standards allow local variation, but set basic criteria for skills that apprentices are expected to acquire at each stage of their training in order to achieve certification at the end of their program as fully qualified craft workers.

The advantage of such standards for apprentices entering the program is that they know they will be taught a full range of skills relevant to the industry and valuable to employers, and that at the end of the program they will receive a certification that is meaningful not just to one employer but to employers throughout the industry, across the country. In other words, apprenticed are getting portable, credentialed skills.

Employers are willing to pay for training provided through this program, and to hire workers who have completed the program, because they have confidence in the credential and know that the skills have been taught and acquired and are relevant to their needs.

The legislation we are considering to establish a National Skills Standards Board would create a framework for the development of industry-based standards for training workers in industries that do not currently have such a skill development system.

Once developed, these standards can be used by government agencies as a means of ensuring that public training funds are used effectively.

Workers will benefit by being able to select training programs based on whether they conform with recognized industry standards.

And employers will benefit by being better able to assess the skill development needs of their workers and improve their return on training investments.

Moreover, the U.S. would be joining the ranks of other modern industrialized countries which have made uniform national skills standards the centerpiece of their training systems.

Several of the witnesses we have with us today are individuals who have had direct, first-hand experience in what skill standards can do to raise the skill levels of the work force and improve our ability to compete. I look forward to hearing from them, and to working with my colleagues on the committee to promptly enact this important legislation.

The CHAIRMAN. Our first panel is composed of leaders of industry, education and labor who have had experience in the development and utilization of skill standards.

Marc Tucker is president of the National Center on Education and the Economy. The Center is responsible for creating the Commission on the Skills of the American Workforce, which produced the well-researched and highly regarded report, "America's Choice: High Skills or Low Wages," that inspired the current legislation. Mr. Tucker was himself a member of that commission. We thank him for his contribution in this area and appreciate his continued willingness to assist us in the process of developing legislation to address skill standards and workplace organization.

We also welcome again Harry Featherstone, who testified before this committee last year on the High Skills, Competitive Work Force bill. Mr. Featherstone is chairman and CEO of the Will-Burt Co. in Orville, OH, and is here representing the National Association of Manufacturers. We are happy to learn more about the manufacturers' views on the development of skill standards.

And we welcome an old and dear friend of mine and this committee's, John Sweeney, the labor representative on the panel, who is president of the Service Employees International Union. Mr. Sweeney has vast experience representing workers in the health care and other service industries. SEIU is now engaged in a number of projects implementing skill standards, and we understand that those programs have been rewarding to SEIU members and their employers.

Before we begin I have statements from Senators Thurmond and Durenberger to be inserted in the record.

[The prepared statements of Senators Thurmond and Durenberger follow:]

PREPARED STATEMENT OF SENATOR THURMOND

Mr. Chairman, it is a pleasure to be here this morning to hear testimony on Title IV of S. 846, the "Goals 2000: Educate America Act." I would like to join my colleagues in welcoming our witnesses here today.

Title IV will establish a National Skill Standards Board for the development and adoption of national industry-recognized skill standards. I am supportive of the development of voluntary national skill standards in this country. However, I have some concerns surrounding title IV.

Mr. Chairman, I am concerned with the inclusion of this title in the education reform package. I understand that the Secretary of Education and the Secretary of Labor are working together on this issue. However, I believe that voluntary national industry-recognized skill standards would be more appropriately considered with upcoming comprehensive work force preparation legislation.

I am also concerned that this legislation will result in too much Federal intrusion into the development of industry recognized standards. The current approach taken by both the Department of Education and the Department of Labor facilitates the creation of industry, labor and education partnerships for the development and promotion of skill standards through developmental grants. I believe this approach allows business and industry to lead in the development of standards they feel are best for their workplaces.

This bill allows the National Skill Standards Board to determine what is appropriate for an industry or occupation. It would appear from the language of this legislation that all industries, except for the construction industry, will have standards developed for them under this legislation, even those with existing skill standards.

Finally, Mr. Chairman, I believe attention must be given to the fact that section 403(b) of the bill appears to revisit the issue surrounding the Civil Rights Act of 1991 concerning "disparate impact" of job qualification standards. The provisions contained in section 403(b) appear to be directed at eliminating the use of any standards which would have a disparate impact on the protected classifications specified. The Civil Rights Act of 1991 addressed this issue by providing that job standards which have a disparate impact are proper so long as such standards are "job related for the position in question and consistent with business necessity." I believe that this is a fair and well balanced provision.

Mr. Chairman, we all want to increase productivity, economic growth, and American economic competitiveness and I look forward to working with you on this issue.

Again, I would like to welcome our witnesses here today and I look forward to reviewing their testimony.

PREPARED STATEMENT OF SENATOR DURENBERGER

Mr. Chairman, I first would like to commend President Clinton for his long-time commitment to education reform, and for attempting to tackle this important issue with his "Goals 2000—Educate America Act." I also would like to congratulate you for your leadership in the area of national education reform.

Mr. Chairman, this bill represents a bold and constructive step forward in recognizing the inextricable relationship between education, job skills, and workplace training. Secretary Reich and Secretary Riley's collaboration in this area is testimony to the administration's commitment to preparing this Nation's young people for the workplace challenges they certainly will encounter as we enter the New American Century.

Since the President introduced his reform package last month, I have had the opportunity to study both the education section and the occupational skills standard proposals contained in the bill.

As for the substance, I am very pleased to see the administration's strong interest in systemic reform, its willingness to allow State education improvement funds to be used to support public school choice and charter schools, and its openness to using waivers to offer States, districts, and individual schools new ways to be held accountable for measurable educational outcomes.

I already have made several suggestions to the administration for improvements in these areas. Following this hearing, I am certain that I also will have additional suggestions on the skills standards portion of the bill. And, I pledge to continue to work with my colleagues on this committee—both Republicans and Democrats—to implement those suggestions as this debate goes forward.

In general, I support the concept of national industry-recognized skill standards. However, I do have several questions and concerns about the occupational skill standards set forth in Title IV of this bill.

For example:

- What impact will these broad national skill standards have on children in communities in Minnesota and across the country?
- Will these standards contribute measurably to improving educational and occupational opportunities for our Nation's young people?
- How will we ensure that these standards are kept current, so that young people are prepared for the workplace challenges which lie ahead, instead of behind us?
- How do these standards differ from those already set in place by various trade groups and unions and in various occupations?
- Does the Standards Board provide appropriate opportunities for input from groups that traditionally have been underrepresentated in our national education debate?
- Does the standard-setting procedure set forth in this bill provide adequate opportunity for American businesses to help develop outcome-based occupational standards?

- How will setting and implementing occupational skill standards affect America's ability to compete in the global marketplace?
- How will these standards help companies to make better informed employment decisions?
- Finally, what is the proper role for the Federal Government in developing and implementing national skills standards.

I look forward to today's hearing with great anticipation. I believe that it will begin to provide answers to some of the questions I have outlined and give the members of this committee the much-needed opportunity to hear various perspectives regarding the appropriate Federal role in developing and implementing occupational skill standards.

Following today's hearing, I also intend to solicit input from Minnesota businesses, labor leaders, educators, and government officials. As they are the ones involved on the front lines of America's education reform battle, their contributions to this debate will be invaluable.

Mr. Chairman, let me now briefly set forth several general "principles for a Federal role in State-based education reform" that will guide my approach to the debate on the education reform issue generally and the development of occupational skill standards in particular.

First, education is and should remain primarily a State and local government responsibility. State governments—and their chief executives—should be looked to as the primary designers and implementers of education reform.

Second, we must remember that the Federal Government's traditional role in education has been to promote equal access regardless of income and other factors, and to improve the ability of States and local school districts to assist students who need specialized education services, especially those students with physical and other disabilities. That historic role should be preserved, and within obvious fiscal limitations, enhanced.

Third, the Federal Government's role in setting and monitoring standards should be specific enough to allow real measuring of success and failure, but flexible enough so that it does not impede States and local communities that are in a much better position to determine precisely how goals and standards should be met.

Fourth, Federal standards also should not replace community, industry, business, classroom, labor union, and individual student-level efforts to define, measure, and monitor progress toward achieving improved education and skill outcomes.

Fifth, whenever possible, standards and other new forms of accountability should be used to monitor and measure achievement of objectives based on outcomes—rather than compliance with input-oriented rules and regulations.

Sixth, within such new forms of accountability, parents should be given the opportunity to choose schools and programs that best meet the needs of their children. Accurate and useful information on available educational choices must be readily accessible to parents, along with assistance in using that information to help make informed choices.

Federal education policies should encourage the availability of new and more diverse school choices, including the establishment of new, innovative public schools like charter schools and magnet schools. However, the precise design of school choice programs and conditions under which new schools may be established and sustained should remain a State government responsibility.

Mr. Chairman, these principles are not all-inclusive. Neither are they relevant to every aspect of President Clinton's reform initiative.

I do hope, however, that these principles will help guide us in a constructive, bipartisan effort to produce the best education reform legislation possible. That certainly is my objective. And I hope that all of us bring the same constructive spirit to this debate.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Tucker, we'll start with you. Thank you very much for being here.

STATEMENTS OF MARC TUCKER, PRESIDENT, NATIONAL CENTER ON EDUCATION AND THE ECONOMY, ROCHESTER, NY; HARRY FEATHERSTONE, CHAIRMAN AND CEO, WILL-BURT COMPANY, ORVILLE, OH, REPRESENTING THE NATIONAL ASSOCIATION OF MANUFACTURERS; AND JOHN J. SWEENEY, PRESIDENT, SERVICE EMPLOYEES INTERNATIONAL UNION, WASHINGTON, DC

Mr. TUCKER. Thank you, Mr. Chairman.

The CHAIRMAN. As you remember, we had hearings here a number of months ago, on the introduction of the High Skills, Competitive Workforce Act in the last Congress, and we were fortunate at that time to have Ira Magaziner at that table speaking, and Mrs. Clinton as well, which helped make that an enormously interesting hearing. The High Skills bill, as you know was based on the recommendations contained in the America's Choice report, and included a proposal for creation of a national board to develop a voluntary national system of skill standards. We are bringing that proposal forward in this bill, and hopefully, we will be able to move legislation incorporating that recommendation. So we appreciate your presence here.

Mr. TUCKER. Both of the people that you just mentioned were members of my board of trustees. It seems we are building a fairly distinguished alumni association.

The CHAIRMAN. A pretty good group.

Mr. TUCKER. Yes. I really appreciate the opportunity to testify this morning, and I would like to thank you very much for your leadership with respect to bringing "America's Choice" and its message in front of the American people.

I would, with your permission, like to enter into the record my prepared testimony and this document, "A Human Resources Development Plan for the United States," which lays out what we think the Federal agenda ought to be, broadly, to implement the recommendations made in "America's Choice."

In 1986, I was involved in producing a report which began with a story, the purpose of which was to capture as much as we could in one story the challenge facing the United States. We described the Samsung electronics plant located just outside Seoul, Korea, which is making home video recorders for sale in the United States. The people in that plant worked 361 days a year, 12 hours a day, and worked for $3,000 a year. We don't make home video recorders in the United States because we cannot compete with plants like that located in other parts of the world.

About 3 weeks ago, there appeared in the New York Times another story. It was the story of a South Korean business leader who, as executive of his firm, had discovered that he could relocate production from his plants in South Korea to plants located across a small sea in China to a province there that was close by, and thereby greatly reduce his costs without, he found, compromising the quality of production at all. South Korean wage rates at the time we released our report were one-tenth of what ours are here in the United States. What the South Korean businessman discovered was that he could produce his product at one-tenth of South Korean rates in China, or one one-hundredth of labor rates here in the United States.

That is the challenge that we face. As you pointed out, Mr. Chairman, in "America's Choice," we said this country faces a very simple choice. It is between high skills or low wages. Exactly how high do those skills have to be? What is truly jarring is that the first international assessment of educational progress shows that the skills of those South Korean kids are in fact higher than the skills of the average American kids in science and mathematics.

We have a terribly long way to go to come anywhere close to hanging onto our standard of living.

That same report, "America's Choice," basically laid out the terms on which we could survive in this country economically. And it said, in simple terms, those countries that maintain high wage rates are those that will change their work organization to give the people on the front line of the American labor force duties and responsibilities very similar to those that we now give only to managers and to professionals. It is a great prescription. It is working very well for our chief competitors. The only trouble is that it requires a work force at the front-line level which is nearly as skilled as those entering the ranks of management and the professions.

How do we do that? The Commission on the Skills of the American Work Force, as you pointed out, found that wherever we found high skills, we found high standards; it was as simple as that. Now, the question is how we frame those standards. As you look around the world right now, what you find are two, in my view, essential points. One is that those countries that are doing best with respect to productivity growth rates and real wages are expecting of their elementary and secondary school kids nearly the same level of academic achievement as they are expecting of those who go on to 4-year colleges, the professions, and management—something which we are not yet close to in this country.

Title II of the bill that you are considering addresses that issue.

The second point that we have found out is that in the advanced industrialized countries of the West, there is not one that has a highly skilled front-line work force that does not have technical skill standards which stand on top of the high school skills standards. What is happening in those countries is fascinating. They are working toward skill standards which are not focused on individual jobs, they are typically not focused on individual industries; they are focused on clusters of industries, because what they are finding out is that in a dynamic economy that is pushed very fast by rapidly changing technology, you don't want to get frozen into jobs that aren't going to last very long. That is bad for the people, it is bad for the workers, and it is bad for the industries; it makes you rigid where you must be flexible.

The other interesting thing that I think is capturing the imagination of countries that have much more experience with skill standards than we is that what they are working toward is a set of skill standards which are not just for kids, not just for dislocated workers, not just for people who want to improve themselves, not just for the down and out, but for everybody—the same set of standards for everybody. That is the way, in effect, that these countries are building integrated labor markets, integrated training systems, a set of standards which is flexible and which will drive toward high performance.

The CHAIRMAN. How do you foresee being able to develop standards so that they are both flexible in terms of the new technologies, and yet effective enough to really be able to measure whether the participants are developing skills which comport with the objectives?

Mr. TUCKER. I think that is actually a central issue that is going to face this board once it is constructed. My own view is that what we need in this country, to answer your questions, is a three-tier system of standards. The first tier is essentially the high school level, which is what everybody should know, whatever direction they are going in. The second tier is a tier of standards which I would hope this national board would put out——

The CHAIRMAN. If I can—and I'd ask Senator Kassebaum to enter the discussion at any time—let me ask, how does that relate to—have you had a chance to look at our Education Goals 2000 and what we are trying to do there?

Mr. TUCKER. Oh, yes.

The CHAIRMAN. Do the education goals and the skill standards essentially fit, number one?

Mr. TUCKER. Yes, they fit, absolutely. In my view, it is the job of the Goals 2000 council to develop the set of education standards.

The CHAIRMAN. OK.

Mr. TUCKER. The second set of standards would be the standards that this panel, that is, the National Skills Standards Board, would be responsible for developing. Now, in my view, they should develop not more than 20 standards. If you do that, they will have to be for clusters not only of jobs, but really, of occupations, because we have many more occupations, even many more industries, than 20. Now, why would you want to do that?

If you look at Japan, Japan doesn't have any skill standards, and yet they have very high skill levels. How did they get there? They got there because a third of their employment is driven by the large, lifetime employment firms. Those firms, when they are looking for people to come in at the bottom, are looking for people with one qualification—a demonstrated capacity to learn and a demonstrated willingness to do what they have to do to learn everything that is required. They don't have skill standards in Japan because once you go to work for that firm, you spend most of the rest of your life there.

All over Western Europe, they have skill standards. The reason they have skill standards is because you don't have lifetime employment and because you want to provide an opportunity for people to move from one occupation, from one firm, and from one industry to another. Clearly, we are like Western Europe. We don't want to be like Japan, where you are essentially working for one firm all your life.

What the Europeans are finding is that, as I was saying a moment ago, they are constantly pressing to widen the classification. When I described this three-tier system of standards to the head of the Federal Republic of Germany's vocational education system, he said, "It is exactly where we are going. Twenty would be just about right." If you look at what the American Electronics Association is doing now in developing their pilot standards, they are developing only three for the entire electronics industry, which is in fact not one industry, as you know, but many. And those classifications are one whole classification for clerical workers; one whole classification for people that they call "pre and post sales," or what IBM calls "customer engineers," and then one classification for what we would think of as electronics technicians, covering a vast variety of jobs.

Now, if we went with a system like that, we could have not more than 20 standards which covered all of the services in manufacturing in the United States. Now, you say, that's great, but what do you do if you want to train as a laser systems operator. There is no classification for a laser systems operator. It must be one of these many things that is encompassed by one of these three classifications that the AEA is building. And what the AEA is saying is we will take care of that; when that person comes to our firm, we will train them to do that—or we may have a small piece of the electronics folks carve out a standard for laser systems operators which some of our firms may want to use. That's what I meant by a three-tier system.

So the way you get your flexibility is you have these very broad classifications above high school. Anybody who wants to can build a narrower classification on top of that. Government does not get involved in it. Government does not need to be involved in it. The Government's role here, it seems to me, is getting the parties to the table to build this very high foundation of skills. That's the distinction.

There is one more point I'd like to make, and it has to do with a very sensitive set of issues around the impact of standards on minority groups and poor people, which I think is among the most important issues that this committee, and ultimately, the skill standards board and the country, will have to deal with.

There are two points I want to make. One is that it is essential—and I believe this has all been worked out—that it be clear to everybody concerned that this legislation not in any way compromise what has been gained through the civil rights legislation that has already been passed in the employment area. Title VII and the Griggs decision essentially define an approach in this arena which ought not to be compromised by this bill in any way.

There is another point to be made here. I think a lot of people view skill standards as simply a threat to the interests of minority and poor people. That is not my view at all. I had a conversation last night with Ray Marshall, former Secretary of Labor in the Carter administration, who, when I raised that question, told me a story. He said that at the end of the 1950's and the beginning of the 1960's, just not quite 2 percent of all the apprentices in the United States in the building trades were minorities. There were exactly five black electricians, and they were all at the TVA. In the mid-1960's—by regulation in that case, not by law—the Government, working with the trades, made the rules that apply to apprenticeship and the standards explicit, codified, created the registered apprenticeship system as we know it now.

The result now, years later, is that some 25 percent of the apprentices are minority, nonwhite, which is greater than their proportion in the population as a whole. Now, there were two keys to this. One was that the standards were made explicit, so you knew exactly what it was you had to shoot for. The rules by which you become an apprentice were made explicit, and that was now clear, and the Government then set out—and others, in private arenas—to create what Ray called outreach programs, which were explicitly designed to prepare people of minority backgrounds to meet these standards.

I think these are really essential sine qua non of how we need to proceed. One, we have to make sure that the current civil rights standards are not compromised. Two, we need to make sure that the skill standards we are talking about are in place and clear. And three, we have to create opportunities for people with minority backgrounds and who come from impoverished backgrounds to meet those. If we can do that, we can get where we need to go.

Thanks very much.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Tucker follows:]

PREPARED STATEMENT OF MARC TUCKER

Thank you, Senator Kennedy, and the members of the committee, for the invitation to speak with you today. I am Marc Tucker, president of the National Center on Education and the Economy. Four years ago, the Center created the Commission on the Skills of the American Workforce, whose report, Americas Choice: high skills or low wages!, inspired the legislative proposals that are the subject of today's hearing. I served as a member of that Commission and helped to draft the report. Following release of that report, Senator Kennedy joined with Senator Hatfield, Congressman Gephardt and Congressman Regula in introducing companion bills in the Senate and House designed to provide a legislative framework for making the recommendations contained in Americas Choice the law of the land. Since then, those bills have framed the national debate on Federal policy on work force skills and served as a focal point for a developing consensus among the actors who must be involved.

Three years ago, when the Commission's report was released, Hillary Clinton was a member of the Board of Trustees of the National Center, and I asked her if she would lead the effort to implement the Commission's recommendations, to which she agreed. Her husband, then Governor of Arkansas, was deeply involved in school restructuring and work force skills issues, both in the State and in his leadership role in the National Governors' Association. So it is hardly surprising that President Clinton's educational reform bill includes a proposal that was a hinge point of the Commission's report and of the High Skills, Competitive Workforce Act of 1992—to create a board that would set voluntary professional and technical standards for a wide range of jobs not requiring a baccalaureate degree.

THINKING ABOUT TECHNICAL SKILL STANDARDS

But why do we need technical and professional skill standards at all? In answering this question, it is helpful to imagine a dimension line at one end of which are the Japanese and the other end of which are the Germans.

Consider the Japanese. One third of employment in Japan—by far the most desirable third—is in the large, lifetime-employment firms. These firms regard entry level labor as they do any other valuable input, and they contract for it with reliable suppliers, with whom they work very closely, as they would for anything else. In this case, the suppliers are 'contract high schools.' Each plant has relationships with a few high schools from whom they recruit every year.

In the spring of the year, they ask the principal to recommend a certain number of students for employment. The principal has a strong incentive to recommend only very highly qualified students, because entry into Japanese high schools is competitive, and if it got out that a firm like Toyota had dropped her high school as a source of entry level labor, the principal of that school would be in deep trouble. What the principal takes into account as she makes her recommendations are the courses taken, the grades received, the recommendations of the teachers and the scores on examinations.

Now take the Germans. If a secondary school student in Germany wants to go to work for Daimler-Benz and build Mercedes automobiles, she must first be offered an apprenticeship contract at Daimler. What will Daimler take into account in deciding who gets offered a contract? The answer is the courses taken, the grades received, the recommendations of the teachers and principal and scores on examinations.

Let's take a look at what is going on here. First, both systems provide very strong incentives for achievement in school and in postsecondary education and training that are wholly lacking in the United States for students who do not expect to go to a selective college. Though there are clear differences in these two systems—which we will get to in a moment—the point on which they converge is sending the strong signals to students who do not plan to get a baccalaureate degree that it pays to meet high academic standards in school.

BUT THAT IS WHERE THE SIMILARITY ENDS

The large, lifetime employers in Japan are like a family. They expect people on the front line to do whatever is necessary to make the firm successful. That probably means many very different occupations during a lifetime of work. Because that is so, the firm is not particularly interested in the occupational skills of the people they hire. What they care about—and the only thing they care about—is capacity and appetite for continued learning. This quality they call "general intelligence." Unlike us, they believe that the most important component of general intelligence is effort, and the least important is inherited aptitude. What they want from the principal is the names of those students with staff recommendations and scores indicating they have the highest capacity for continuous learning.

Once these Japanese firms hire an entry level worker for the front line, they will provide all the occupational education that is necessary. When we visited Toyota in 1989, we were told that the firm was planning to give every new hire for the assembly line two full years of full-time instruction in digital electronics and mechatronics before putting them to work. These workers will have the skills of what we here in the United States would think of as junior engineers.

The Japanese do not have universal, formal skill standards, because they do not need them. Because the worker stays in the firm for all or most of his working days, and because the firm knows what its own standards are, there is no reason to have standards that extend beyond any given employer.

The situation in Germany is utterly different. In Japan, if you ask a worker what she does for a living, she might say she works at Toyota. But, if you ask the same question of a worker in Germany, he is likely to say he is a machinist. Germans identify very strongly with their skill, trade or occupation, which they are likely to pursue for their whole working life. Under German law, one cannot open a business in a trade or craft that is not licensed and unless one is a certified master in that trade or craft. One can only become a master after having first apprenticed in that trade and served as a journeyman. To proceed from apprentice to journeyman, and then from journeyman to master, one must pass written and practical examinations to receive the necessary certificate, the criteria for which are the same throughout the nation. It can take as long as 10 years to change these criteria for any given trade or craft.

The advantage of the Japanese system is substantial. It is very much better adapted to a world in which technologies and consumer tastes are changing ever more swiftly. When workers identify with their firm and are willing to develop new skills and change their occupations whenever that is necessary to keep the firm competitive, both firm and worker are likely to be constantly on the leading edge of change. A nation that, from the education and skills point of view, puts the greatest priority on capacity and willingness to learn is the one that is most likely to succeed in a world that will favor organizations that are constantly learning.

So, why not adopt the Japanese system? Because the lack of skill standards in the Japanese system works only because employees in the big firms are there for life. That would not work in the United States. Our society is among the most mobile in the world.

The need for standards that go beyond the firm arises in mobile societies. In Japan, people work hard at learning because the most desirable employers provide substantial rewards for that behavior. In a mobile society, individuals are less likely to invest heavily in skill development unless they are sure that the skills they develop will be honored by many employers—ideally, all the employers in the Nation that require that set of skills.

INCENTIVES, STANDARDS AND SKILL DEVELOPMENT

Issues of incentives are at the heart of this argument. As matters stand now, only the selective colleges require more than a high school diploma. So the vast majority of high school students, including almost everyone who will go into the front line work force, have no incentive to do any more than the minimum necessary to get the diploma, which is very little at all. And then young people and adult workers have no great incentive to invest heavily in continued skill development, because they have no way of knowing whether the training they are investing in is what a future employer will be willing to pay for. All of this is in sharp contrast to our competitors, who provide very tangible rewards to young people who work hard in school, and who are able to assure people of all ages that when they invest in their further skill development, that investment will pay off, because the training they have invested in is valued by the employers they want to go to work for.

These incentive systems turn on standards. Clear standards make it clear what competencies will be valued and therefore what one must learn how to do. Clear standards provide a reliable way for employers to recognize accomplishment, which makes it possible for them to reward it.

A THREE-TIERED SYSTEM OF SKILL STANDARDS

So the question now is, how can the United States get as much of the benefit of the Japanese system as possible while still adopting some form of formal, universal skill standards? The answer, in our view, is a three-tiered system of standards. The first tier will be provided by the National Education Standards and Improvement Council. The Council is meant to develop the kind of standard that is represented by the Japanese expectation for graduating secondary school students—a universal expectation of high academic mastery, combined with a demonstrated capacity to learn. I hope it adds to that a demonstrated capacity to apply what one has learned to complex, real-world problems.

The second tier would consist of a system of professional and technical certificate standards that would cover a very broad range of manufacturing and service occupations not requiring a baccalaureate degree. It would serve, among other things, as the linchpin of a first-class school-to-work transition system.

Assume for the moment that students who have met the standards established by the National Council are entitled to decide for themselves whether they wish to go directly into the work force, enroll in a college-preparatory program ('college' here meaning a baccalaureate degree program) or enroll in a program of technical training and further education leading to a college degree or certificate below the baccalaureate degree.

Many, perhaps most, will choose to enter programs leading to these professional and technical certificates and degrees. These programs would be 2 to 3 years in length. They would consist of part academics offered by an educational institution and part structured training, offered by an employer. The requirements for getting these certificates and degrees would be spelled out mainly by national groups of employers, so that students who completed such a program would find that the certificate they received was honored from coast to coast when they were looking for a job. But all of these professional and technical certificate and degree programs would be so designed that the student who completed one was part way down the road to a baccalaureate degree; there would be no dead ends in this program.

I believe there should be no more than 20 professional and technical degree and certificate programs, each one designed to provide the skills to perform at the entry level at a high level of competence, for a whole cluster of related occupations. One would certify, for example, the field of precision manufacturing, not numerically controlled milling machine operator.

Many employers, perhaps most, would require only a professional and technical certificate to qualify for an entry level job in the firm. But others might require a modest amount of additional training to qualify the candidate for a particular occupation in the firm, tailored to the firm's own requirements. In some cases, that might be because of the technical requirements of the particular job or occupation. In others, it might have to do with the requirements of a particular piece of machinery. In still others, it might have to do with an employer's need to provide training in the particular way that firm does business and with the values of that employer.

It is this additional training for specialities and for employer values that would constitute the third tier of standards. In some cases, these standards might be truly national, as when they are adopted by an employer's group, a labor union, or a professional or technical association. In others, they might be adopted only by one firm (Japanese-style) or by a group of firms related by supplier relationships.

A skill certification system of this sort will make it possible for young people to prepare themselves for a wide range of occupations at a high level of entry level competence, give them the skill base required to move with a minimum of retraining among a wide variety of related occupations, and assure them that the effort they put into this training will pay off because the certificates will be portable across the whole Nation and the criteria will be embraced by the employers themselves. It has much of the flexibility of the Japanese system while still retaining the worker mobility advantages of the German system.

STANDARDS FOR EVERYONE

Standard systems are like telephone systems. A telephone company that has only four customers can offer far less to its customers than one that can offer connections to 40 million customers. I have spoken so far as if the purpose of the professional and technical standards system was solely to guide the development of professional and technical skills among young people just entering the work force. But the true power of such a system lies in its potential for tying together into one system what are now many disparate and often nonfunctional systems. The same standards that are used to guide the initial skill development of young people can be used to guide the skill development of full-time homemakers returning to the work force, dislocated workers seeking another career with high potential, disadvantaged workers who have mastered the basic skills but want the technical skills required to make a good living—in fact, anyone of any age, sex or race who wants to get ahead. If we had one set of standards to do all this, it would be worth while for many education and training organizations to develop the program capacity needed to bring lots of people up to these standards. Right now, poor people who participate in Federal job training programs are stigmatized and have a hard time getting a good job. But if these people met a performance standard that everyone else is expected to meet, then it would not matter where they had received their training, but only that they had met a clear standard that was recognized by employers everywhere. This could make a very big difference for the people enrolled in government-funded job training programs.

STANDARDS FOR PERFORMANCE-BASED SYSTEMS

Once these standards are in place, and organizations and institutions new and old start coming up with programs for people who want to reach them, then something else becomes possible—the development of modes of government funding for training that are based on results rather than inputs—How many of the people who entered the program actually reached the standards? How long did it take them? How much did it cost? With common training standards in place, it becomes possible to have common measures, and common measures make it possible to establish public policies that will reward service providers who actually produce for their clients.

But the idea of having a national board for skill standards is not without controversy. The administration's proposal has raised some important questions. I would like to mention a few and quickly summarize my views on those issues.

The bill provides great latitude to the Board in organizing the standard-setting process. If everyone is in agreement that standard-setting should be industry-based, shouldn't the legislation require the Board to establish industry-based committees that will in turn develop the standards for their industries?

Some people have urged that the legislation be changed to specifically require the Board to establish industry committees. I do not think that is wise, and I will explain why. There is, of course, a great advantage in organizing by industry: The industry groups concerned will feel some ownership of the standards they create and are therefore much more likely to use them. But there is more to it than that.

Last year, the Departments of Labor and Education gave awards to a number of industry organizations that came forward with proposals to develop industry skill standards. Among them was the American Electronics Association, from whom you are hearing today. Each proceeded, as asked, to develop standards without reference to the way in which the others were proceeding. This is a very good way to explore the territory and to develop some experience from which the country will profit enormously. But it is no way to build a national system of standards.

When school teachers cross State lines in this country, they typically have to take a whole lot of courses in the new State that look suspiciously like courses they had to take in the old State, because the two States have not agreed on a common standard for teacher licensure. They often choose to leave teaching altogether rather then endure the tedium and the expense. Suppose, in addition to electronics, a group had come forward to develop standards for the automobile industry. When an automobile mechanic opens the hood these days, she stares down at a maze of electronic equipment. If the auto industry should experience a big downturn, would we not want people who had learned a lot of electronics skills in the automobile manufacturing business to be able to transfer easily into consumer electronics or industrial electronics, if things were booming there? There would be enormous advantages in having standards that embraced not just industry groups, but skill groups that cut across industry groups.

Then there is the question of what an 'industry' is for the purposes of standard-setting. The American Electronics Association in fact encompasses many different industries, ranging from marine electronics to consumer electronics to the computing and semiconductor industries, and a whole host of occupations as defined by the dictionary of occupational titles. Many of these industries have their own associations. Electronics as a group falls under manufacturing, which has its own association. The AEA is not even alone in representing electronics taken as a whole. There is also, for example, the Electronic Industries Association. Some people have expressed strong reservations about giving as much latitude to the National Skill Standards Board as the bill does and have recommended specifying in the legislation that the Board organizes the standards by industry or by groups of industries, and then delegates to those industries the actual setting of standards. But, as I have just pointed out, this is much easier to say than to do. Someone would still have to define what is an industry, making a map of all industries that had everything colored in, with not more than one color on one spot. Even after the Board had done this, and thrown away the possibility of organizing by skill groups when it did so, it would not be at all obvious which industry organization or organizations should be given the standard-setting job.

In my view, the Congress should not try to second guess the best answers to the issues I have just raised. The Nation would be best served if the Board were left free to figure out for itself what the 'map' of standards should look like, taking into account the experience of other nations, the work of the pilot projects, and the views of all the actors who will have to make the new system work. They will have to establish a balance between the views of industry leaders who will want standards molded to the needs of their industry and of workers, who will want to have the option of moving easily across industries. They will surely want to fully involve the existing industry groups and associations in their work, but the Board should not be put in a position in which it feels compelled to give the standard-setting process away to any single organization that represents only one faction in an industry, or necessarily to give equal play to many organizations. Some industry associations—the AEA is an excellent example—will leap to the challenge and do first rate work. But many will not. Some associations will create standards that are forward looking and internationally competitive. Others will freeze into concrete standards that will condemn this country to competing on wages, a competition we can only lose. What is important is that the Congress makes its goals as clear as possible, provide the Board the latitude to figure out how to get there and then hold it accountable for its decisions. I would not tell it how to organize.

The pilot projects are well underway. Weren't they supposed to provide the data that would help us figure out how to establish a system of skills standards? Shouldn't we wait until their work is done, 2 years from now, before we create this Board?

No. The organizations involved in these pilot projects do not see themselves as engaged in a research project—they are building standards they actually plan to use in their industries. And it is beginning to bother some of them a lot that what they are doing does not fit together. They know that that means that someone will have to come along to create a structure into which they will have to fit. If I were them,

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I would far rather have the option of working now with a Board whose job it was to design the system, so that the standards I was developing could be designed to fit into that system from day one than to be told 2 years from now that everything I had done was provisional and that a new Board was about to put into place a system that was almost certain to invalidate much of the work that I had done.

It is very important that the new Board pays attention to what is being learned by the pilot projects, but that does not require that it not be created for another 2 years.

The standards that the National Skill Standards Board will put into place will create yet another set of hurdles barring the way to good jobs for disadvantaged kids and workers. Shouldn't the Congress prevent anyone from using these standards for initial hiring and promotion until everyone has an equal opportunity to learn the material that must be mastered in order to meet the standards?

Employers use all kinds of standards and tests now to help them make the decision on who to hire. No employer would be required to use the new Board standards. It seems strange to say they should be prohibited from using these standards but can use any others they wish. The pertinent law here is Title VII and the related case law flowing from Griggs vs. Duke Power, which basically says no test can be administered for hiring purposes that has differential impact by race and cannot be shown to measure skills or knowledge that are actually required to successfully perform the job for which the person has applied. The bill now makes it explicit that it does not override any of this law, all of which remains in force. Thus Griggs and Title VII would apply to the standards and tests emerging from this Board in the same way that they would apply to any others. That being so, I can see no reason for denying employers the right to use the standards and tests developed by this Board for hiring purposes, assuming that they meet these basic civil rights criteria.

Which raises the larger question as to whether it is fair to put standards into place when some people will find it easier to meet these standards than others because they have had access to more and better preparation. But that is true now. The proportion of people who come from minority and low income backgrounds who take and pass the examinations that lead to advanced degrees in mathematics, engineering and the sciences is appallingly low, as is the proportion of those who take the medical boards or the nursing examinations. The reasons that is so, though complex, are clearly related to unequal opportunities to acquire the necessary prerequisite knowledge. But the society does not therefore prohibit the use of those standards and examinations. If it did so, employers would find some other way to make the decision about who to hire and the ways that they chose would undoubtedly be more subjective and more subject to racial bias than the ones now in place. This is not going to be an easy dilemma to resolve.

In any case, we should not lose sight of the fact that the new skills standards can be a powerful asset for disadvantaged Americans. Standards can open doors to people who can show that they can demonstrate the required competence. And the new job training standards will be a powerful tool for improving the quality of Federal job training programs.

Why limit the number of standards to 20? Why not have a standard for every occupation, or at least for every industry?

The first answer to that question is the one I gave earlier when discussing the German-Japanese dimension line of thinking about skill standards: The more standards there are, the more rigid the economy that uses them. It takes a long time to change them and people tend to identify with the specific occupation for which they have been certified, so they will fight changing them. The society that has a more flexible system will be able to respond faster to changes in technology and consumer taste. That is why all the European countries have been busy slashing the number of standards they use.

But there is another, and very important, reason. When the Commission on the Skills of the American Workforce examined these issues in 1989 and 1990, it discovered that the advanced industrial countries experiencing the best growth rates in real wages and productivity were competing on quality, not cost. They knew that countries with low wage structures would inevitably dominate the markets for mass produced goods. But competing on quality, customization and responsiveness requires a different form of work organization than does mass production.

Competing on quality means abandoning the mass production method of organizing work in favor of high performance work organization. The Commission found that, in assembly plants, the workers had been organized into self-managing teams that took responsibility for scheduling their own production, parts ordering and inventory, equipment maintenance and quality control. In banks, the Commission found that ordinary bank tellers had been trained to understand and sell the full range of modern sophisticated bank products to their customers, from zero coupon bonds to variable rate mortgages. Insurance companies had given their field agents powerful portable computers loaded with custom software that enabled them, on the spot, to give their customers quotes that used to take a week to get to them. The back-office staff who used to grind out the numbers for these quotes had been retrained to do sophisticated custom quotes for products on which the company could make a much higher profit.

In each of these cases, the front-line staff had been given duties and responsibilities that, in this country, are rarely assigned to anyone but professionals and managers. By empowering these front-line workers, the management had made it possible to cut out many intermediate layers of management and supervision, and many specialized departments whose services were no longer needed. Because there were many fewer departments, there were many fewer steps involved in producing goods or services involved.

In addition to the money saved, miscommunications among all these organizational units could be eliminated, mistakes could be avoided and much time saved. Quality went way up, because wastage could be avoided at the point at which it first occurred, rather than waiting until it piled up at the end of the line.

These firms could respond much more quickly to changes in consumer taste because the long lead times required in conventional mass production were no longer needed. The people who actually worked on the line could make constant improvements in the product or service without waiting for the beginning of a whole new design and manufacturing cycle, which often takes years for a complex product.

For all these reasons, high performance work organization holds the key to a high productivity, high wage economy. By employing its disciplines, a company—or a whole country—can achieve the levels of quality, customization and responsiveness to changes in consumer taste that are required to establish and maintain wage levels above those that can be sustained with standard mass production methods. Only in this way, in other words, is it possible to produce the goods and services for which people around the world are prepared to pay premium prices. If a nation can organize its economy on these principles, it can not only enjoy high wages, but it can also ensure high levels of employment and good income distribution.

But high performance work organization requires team organization and requires that the members of the team be able to do each other's jobs. It also requires that each member be able to take on a wide range of functions that are rather broadly defined. Underneath it all, it is predicated on the idea that the front-line worker is a professional. Doctors get a single basic credential, as do lawyers. One is expected to specialize, but also to know the basics of all the jobs in the whole broad field, and to be able to move to another speciality within that broad field with some facility. If our economy is to survive and prosper in this intensely competitive international environment, it will be in part because the average front-line American worker is not a cog in a machine but rather an autonomous, contributing problem-solver, constantly learning, constantly looking for the next challenge. This—not the world of narrow occupational standards—is the world that the new standards should be designed for.

The CHAIRMAN. Mr. Featherstone, it's nice to have you back.

Mr. FEATHERSTONE. Thank you. I'm going to do this the way I was told to do it.

Good morning. My name is Harry Featherstone, and I am chairman and CEO of the Will-Burt Company.

The CHAIRMAN. You do it any way you like, Harry.

Mr. FEATHERSTONE. I've got to do it.

I am a member of the board of directors of the National Association of Manufacturers. I do thank you for permitting me to come back. I would appreciate having my full statement included in the record.

The CHAIRMAN. The statement will appear in its entirety in the record as if read.

Mr. FEATHERSTONE. I am now going to break off and talk. I have been in the education of our corporation for 8 years, and I'd say all 300 of us have been in it for 8 years. We started education in 1985. I had spent 20 years working with Boys' Village, which is 100 to 175 youth out of the inner cities of Ohio, for whom the next step would have been prison. They came to Boys' Village in Wayne County, OH. I was president of that, and we had a school on campus, and these kids went to regular high school, and then we put them in other high schools. They did very well. We had an 85 you 95 percent nonreturn rate to their prior program they were in. That taught me a lot.

So when I got into education in my corporation, I knew we had to do something to bring our schedule up while we started out. We went to—and I can only talk to you about our skill standards—we went to simple and advanced blueprint reading for the entire corporation. That includes myself, every factory worker, every office worker, engineers, it doesn't matter, they went to the same classes. Some of them didn't like this much, and if you saw the Peter Jennings program on TV the other day, one of them spoke out and said, "I hated it." He was a machinist who had 8,000 hours of master mechanics, and I sent him back to school, too.

We went through this, we went through math, algebra, calculus, reading, writing. We had everything you would read or know in every corporation in the United States 10, 20 years ago. After that, we started 2 years of junior college, we can call it, in our buildings, where we bought University of Akron people in to teach our people everything they would get in the first 2 years of a business college going toward a 4-year degree. So it would be freshman and sophomore years—things like cost accounting, marketing and so on.

This was all voluntary. The math was mandatory, the rest was voluntary.

One hundred forty of our 300 people have voluntarily gone through or are in this program right now. ABC asked them last week, Why are you doing this, and they said, number one, because it is interesting, and number two, it is our future.

I'd like to get to what has happened, because I think that is the power of education and the power of math and the power of development. Just last month, we received a $3.5 million order for printing equipment that was formerly made in Guadalajara, Mexico and had been for 10 years, where they pay $1 an hour, and we pay $10 an hour. We have worked 5 years. Our teams in the factory went after this, with the sales, and we got it for Wayne County, OH.

Our medical costs in 1985 were $1,961 per person. Our medical costs in 1992 are $2,162 per person. That is a 9.5 percent increase in 8 years.

The CHAIRMAN. We are going to add you to Mrs. Clinton's task force.

Mr. FEATHERSTONE. I think education would have helped very much. This means involvement, where we involve everybody in the medical decisions, and education, which allows people then to completely understand what you and I know about medical costs and its impact in their daily lives.

Another impact which I feel is the greatest thing, and believe me, I did not know this when we started—in 1980 through 1985, our workers' compensation was $145,000 per year. That is the actual cost of each year of accidents in our factories, four of them. We are in basic industry. In 1992, we hit the amazing figure of $662. We had three accidents last year. Two of them were cuts on arms, one was a cut on the head. Two of them were for people that we had hired in August of last year, who had not been through the education and teaming system.

Teaming allows people to watch over each other, allows them to be sequencing each other, so they know what is going to happen ahead of time. The effect on schools in our area is to me, again, a marvelous thing. Our machinists have visited the vocational school. Our local school math teachers have been visited by our assembly people. If you read The Washington Post article about Delbert, he kindly came to me right before The Washington Post article and said, "When I first took the math test 3 years ago, Mr. Featherstone, I took it home to my kids, and they took it to the math teacher, and between us we finished the math test, and I turned it in the next morning. But I'd like to report to you that as of this January, I took the math test myself, and I passed it, and I am going for my G.E.D." Delbert is the last one in my operation to get that. He is 48 years old. I think it is quite an accomplishment.

We cross-train, and the people are now cross-training themselves—I don't even know it is going on; I just find it out by accident. All 23 of our paint people have now cross-trained so they can do all 23 jobs in case of a problem. That allows anybody in our operation if they have a problem at home or a problem somewhere else to go to their team member, leave the factory, go home and come back, and be covered by one of the other people, so the production of that department is not lost.

The problem is that our people cannot leave and go to other factories in the area because they cannot use their brains in these factors. Another problem is people coming in—it's a disaster, because they just do not have the education and background in math and the skills that allow them to come into our factory. So we start over again.

We have placed in-house psychologists to work the area and give us a special rate; one percent of our people use them. We also in 1985 started rehabilitation. All of these things dovetail—education, rehabilitation, in-house psychologist, and skills all come together to make a great corporation.

I'd be open to comments. Thank you.

The CHAIRMAN. Thank you. We'll come back for questions.

[The prepared statement of Mr. Featherstone follows:]

PREPARED STATEMENT OF HARRY FEATHERSTONE

Good morning. Ny name is Harry Featherstone, and I am chairman and CEO of the Will-Burt Co. in Orrville, OH. I am a member of the board of directors of the National Association of Manufacturers and on its behalf, I thank the chairman and members of the committee for the opportunity to present testimony today on Title IV of S. 846—the skills standards portion of Goals 2000: The Educate America Act of 1993.

First, a little about Will-Burt, its employees and what we have learned about skills and standards. Ours is an employee-owned company making a diversified line of machined and fabricated parts for a range of companies, including Volvo Truck, Caterpillar and Ford. We also make part of the Patriot missile system. Eight years ago, we were on the verge of liquidation. Will-Burt had about $20 million in sales, but profitability ranged from only 1 percent to 4 percent. Workers were spending 25,000 hours a year redoing rejected parts, costing the company $400,000 annually. The rejection rate was as high as 35 percent. Yearly turnover was very high and daily absenteeism ran up to 8 percent. Several of the plants were out-of-date.

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Moreover, a survey at the time found that although many employees worked with blueprints daily, they could not understand the blueprints well at all. Other employees who worked with scales could not read them.

I came to the company with a background as an accountant and engineer, after spending most of my career at Ford. At 55, I became president and desperately wanted to make a go of this once-proud company.

The decision was made that the company could not survive paying $400,000 yearly for its quality problems. We decided to set Will-Burt apart from its competitors. That meant that we would have to make the best parts in the business, the first time around.

Previously, if a part came close to specification, it was shipped. We decided to shoot for perfect quality and perfect on-time delivery. Such methods would have to start immediately. But how could workers manufacture to blueprints if they could not read them correctly? The answer was intensive math education.

Voluntary blueprint reading and math classes were held on company time. Twenty-five employees signed up, but when they ran into homework and tests, they dropped out so quickly that soon only three were left.

Finally, we countered by making the blueprint reading mandatory for production workers and voluntary for office workers. A basic blueprint-reading class was taught by a vocational school teacher, and an advanced course was taught by continuing education teachers from the University of Akron.

Still, the resistance was high. Persons out of school for 20 years did not relish the reintroduction to the classroom atmosphere. It was hard to convince them of the importance of the courses. I was called dictatorial.

Yet there were seeds of hope—and workers began to see a future for themselves. Some of the workers saw the classes as a way to improve themselves and their skills, reasoning that if they ever left the company, they would be readily hired by one of the other well-paying manufacturers in the area.

We continued to push education. We enlisted an industrial training specialist from the University of Akron. We had all floor workers go through a rigorous course of geometry and geometric tolerancing. They reviewed high school mathematics, including fractions and algebra. Tests were given and scored by persons outside the company.

Ultimately, we introduced Statistical Process Control (SPC), the measurement and tracking of parts through the manufacturing process to reduce deviations from standards. After the math course, which also taught reading, writing, sequencing and the value of statistics, the SPC course actually became a part of our lives.

The situation began to improve. Major product liability cases were won and, as workers began to feel greater security, they began pulling together as a company.

By this time, Will-Burt had spent about $200,000 in training. In 1988, the State of Ohio agreed to pay for a teacher and books. Will-Burt maintained the classroom. It paid the rest of the teachers, bought additional books and, of course, paid the wages of those taking the courses, because the classes were conducted on company time. The training had a dramatic effect. Products were produced exactly to the blueprints. Workers were scrupulous about demanding perfect parts.

The combination of employee ownership and higher skill levels made for a new attitude and performance. One worker was quoted as saying that if someone saw another producing bad parts, that worker would "jump on him." People knew that one worker's error would hurt them all; they took pride in all of the company's products.

On-time delivery leapt to 98 percent for months on end. By the end of 1988, the parts-rejection rate had fallen to less than 10 percent. The rate is now less than 0.01 percent. Time spent reworking parts dropped from about 2,000 hours a month to 400, even though the company was doing much more precision work than before. The rework costs dropped from $400,000 per year to less that $100,000, with a trend down indicating .007 percent of sales in 1991.

These days, employees are offering suggestions for products and marketing. An idea was developed for a Quick Turn Department, a team of 12 versatile fabricating people who would turn out parts overnight for delivery in 24 hours to customers who must have this service. The new department is on its way to making $2 million a year. In December 1992, 3 Telescoping Mast Team people took more than $150 out of the cost of a $1,000 assembly.

Other statistics measure Will-Burt's renaissance as well. By 1989, the University of Akron determined that the company was 99.9 percent math-literate. Return of goods as a percent of sales dropped from 3.7 percent in 1985 to 1.1 percent in 1989. Even so, the cost of quality (quality-control labor, superintendent and management salaries, plus rework labor and materials) as a percent of sales dropped from 6 percent in 1985 to 2 percent in 1990.

Morale has improved. Workers' compensation in actual dollars paid dropped from $145,000 in 1985 to $16,000 in 1990, or from $525 per person to $57 and, in 1992, to $662 or $3 per person. The number of sick days less than 2 weeks was cut in half from 4.6 days per person to 1.9, and health care costs have stabilized. Finally, overall, we are getting work back that left the country for Mexico in the early 1980s. In 1992, we received purchase orders for $3.5 million in sales in binding equipment formerly manufactured in Mexico and we expect this to grow to $4 to $5 million by the end of 1993. We are hiring new workers to meet the increased workload.

The value of broadening an employee's education is a philosophy I endorse, and one that is now ingrained in the company. In addition to the classes begun in 1985, the company has added ones on problem-solving, decision-making, public speaking, machine controls, employee discrimination and, last week, Swedish and French. The goal is to allow those taking the courses to accumulate credit for an associate of science degree. But we can't stop here. To truly achieve our goals, Will-Burt people must continually upgrade their skills and learn new ways of doing things. Training and education is our best investment.

It is with this in mind that I turn to the skills standards in Title IV of S. 846. We applaud your efforts to focus attention on the development of voluntary national occupational skill standards. Occupational skills standards are a common language for jobs and for training; they are the building blocks of jobs. The old way of looking at training was to look at the number of years it took to attain a skill. We understand now that all that is important is the skill attained. We know that everyone learns in a different way—some in a classic teaching situation, some by reading and some by doing. We must have a system flexible enough to get credit for skills learned in a variety of ways, but we all have to agree on a common language of what those skills are. That's what skills standards are all about to me. They need to be based on jobs, broadly defined. We no longer need jobs broken down into thousands of sub-groups the way we have done for the past 100 years. Workers must be able to learn a broad base of skills using skill standards as a guide. We recognize that, in the past, the private sector has not systematically arranged, specified or provided adequate occupational skills information for industrywide use for public education and training systems. With increasing competitiveness in the modern work force, this initiative could begin to fill that need—and we at the NAM know that a world-class work force is critical to U.S. economic vitality in global markets. That's why I'm here to commend this process to build partnerships and structures to identify the skills required in a world-class work force.

This effort is timely. The technology and information age has given us new tools—and new challenges—to make work more productive. Yet the majority of America's work force—despite excellent strides in the past few years—is designed and our labor force educated for the mass-production, segmented-work models of the past.

The world's leading companies, however, are bolstering productivity growth by creating "high-performance work organizations" that focus on continuous improvement of work processes. In such workplaces, highly skilled people use effective training, teamwork, technology and information tools to achieve major strides in product innovation, quality, customer responsiveness and time-to-market. Employees in such work organizations are involved decision-makers. Management layers disappear and bureaucracy decreases. Front-line employees' skills increase as they assume many tasks formerly reserved for managers.

"High-performance work organizations" structured this way require a highly skilled work force. They must be equipped with basic skills and have content knowledge. In high-performance workplaces, employees in virtually every job function must be able to make wise decisions, use technology and manage information adeptly, communicate effectively and work in teams toward common goals—and do so at levels of competency benchmarked to world standards of excellence.

At the NAM, we are working hard to share this knowledge across all manufacturing sectors. In a special partnership with the Department of Labor, we use our "success stories" and our tools to move toward high performance. We ask our members that have had success to help those that have not implemented programs to be the "best of the best." I have attached a description of this project and a summary of our progress to date to this testimony.

In this context, I underscore the NAM's support for this initiative to design and set national, voluntary industry-based efforts to identify needed employee competencies and skill standards. Such efforts are the underpinning of the high performance workplace and are crucial to a world-class work force.

We have some concerns, however, about the current language in Title IV of S. 846. I would like to share them with you and hope the committee can clarify some of these issues and rework the language appropriately so that this measure can receive good business support.

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This effort must be industry-led. And although others are needed to make this a team effort with other constituencies, a clear signal must be sent to business that it is in the forefront of this effort. Without that signal, voluntary standards cannot work. Industry must use these standards. It must create them and be in control. Without that, a hollow, false-bottomed structure will be created that will not be used. Other countries have faced similar problems and faced failure when voluntary standards are not industry-led. To come to the party, we must organize it. Therefore, we recommend—

- that the chair of the board as described in Title IV be an industry-based individual for the first term.
- that the board itself be composed of a majority of representatives from business and industry trade associations and that workers, both union and nonunion, be included. We also suggest that one-half of the education component be composed of representatives from community-type colleges.
- that the functions of the board be defined so it is clear that its job is only to define the industry clusters and set the criteria and processes for how industry standards should be developed. At no time should it set standards. All activities of the board should be totally nonbinding and voluntary. All promulgation of standards must come from industry clusters. The board should endorse only that proper criteria and processes have been followed. The board should oversee the process, help keep chaos out of the system, but never mandate.
- that all certificates of mastery be issued by the industry clusters in partnership with community colleges.
- that any system to "periodically revise and update skill standards and assessment and certification systems" be clearly understood and industry-led.
- that a sunset provision be included and that this process require congressional reauthorization in 3 to 5 years. This is a grand experiment. If it doesn't work, let's end it and try something else.
- finally, we understand there is amended language on the civil- rights section of Title IV. I have looked at it but am not a lawyer. It seems to say that businesses cannot rely on a skill standard, assessment or certification system in any civil-rights proceeding. The reality is that small business will rely on it. This language, as well as that pertaining to "methods for validating the fairness," unnecessarily burdens Title IV, which has as its major focus the development of a voluntary national system of skill standards and certifications.

Voluntary skill standards could benefit all U.S. industries and work forces. They could change the way we understand work and give U.S. workers great new opportunities. They can encourage more companies, large and small, to create "high-performance workplaces" to increase company productivity and enhance the competitiveness of all industry. They can increase opportunity, create clear career path options and motivate students who will know they are pursuing skills through education and job training that are needed in the work force. We at the NAM are optimistic that the Congress can respond to our concerns, as well as to our hopes, that appropriate industry-led voluntary standards—our new common language of jobs—can help us all move to high performance and lead the world economy in manufacturing productivity and performance. I will be pleased to answer any questions the committee may have.

[The project and summary referred to is retained in the files of the committee.]

The CHAIRMAN. Mr. Sweeney.

Mr. SWEENEY. Thank you, Mr. Chairman, members of the committee.

I am John Sweeney, president of the Service Employees International Union. SEIU represents more than one million service sector workers in the United States, Canada, and Puerto Rico. We are the fourth-largest union in the AFL–CIO, and the largest union of health care workers in North America.

I am pleased to be able to testify today in support of establishing a National Skills Standards Board and, more broadly, to stress the urgent need for training and skill standards in order to foster high-productivity work organization in the United States to build a secure and prosperous work force and to keep our Nation competitive in the global economy.

As the United States has witnessed the transition to a service economy, we have also witnessed the retention of outmoded methods of production, management, and work organization based on the Taylor model. This system was developed to serve mass production by relying on an elite few to organize work. Little training was provided to front line workers, and little was expected of them.

Now, the revolutions in high technology and electronic communications have brought demands for greater skills from our work force, even in traditionally low-wage occupations. But while the productivity imperative remains, we are not responding to change by providing workers with the skills they need, either in school or on the job.

In the best examples from the modern industrial sector, we have seen such problems addressed. Apprenticeships and training programs have a long and successful history in American industry. But we have seen almost nothing like it in the service sector, where the largest number of employees are in need.

I would like to share SEIU's experiences in the health care industry. Health care workers will have to improve their skills as the industry continues to restructure, and a strategy for upgrading skills will be needed if workers are to participate in types of health delivery systems and work organizations. Skills standards, continuous training, and effective career development tracks will result in a more flexible and productive health care work force.

Our union is participating in two experimental skill standards programs in the health care industry. Both are aimed at setting uniform standards for health science and technology jobs, and both are funded by grants from the Department of Education.

One is being carried out by the Far West Laboratory for Educational Research and Development. It will develop standards for a number of entry-level service occupations, including nurse aides, orderlies, and other support service jobs.

The other is being conducted under the auspices of the Educational Development Center, Inc. In its initial stages, this project is undertaking an extensive analysis of the skills content of jobs, including focus groups and interviews with front line workers.

In addition, SEIU has negotiated career ladder programs for service workers. SEIU locals, for example, have developed a much-cited worker education program at nine hospitals in the State of Massachusetts. The program initially concentrated on moving entry-level workers to mid-level clerical, laboratory, and maintenance positions and has since expanded to permit career movement into higher-level technical and professional positions.

The career ladder program at Cape Cod Hospital, which has been in existence for more than 10 years, helps facilitate more than 50 promotions per year.

Our experience with labor-management cooperation tells us that national skill standards will be vital to the future of both employees and employers in this industry.

Young workers often lack the skills to rise above an entry-level occupation. The mechanisms to promote skills development and certification just don't exist. As a result, frustration and turnover are high. In the health care field, this cycle of frustration is reinforced by rapidly changing technology and improved infection control procedures which make work especially complex.

In addition, our health care work force includes an ever-growing number of recent immigrants and nonnative speakers of English. However, in many health care work settings, computer skills are now expected even of housekeepers and supply clerks. The result is a job ghetto—no mobility, no escape. And even where individual facilities do offer training to employees, the content is often too employer-specific, and cannot be applied elsewhere in the event of job dislocation.

But our experience also tells us that we need to develop skill standards carefully. Labor unions and, more important, front line workers, must be fairly represented in the development process. In fields like health care, our workers know better than anyone how countless matters of work organization can be improved.

Front line workers are the key to quality in the workplace, and they will be an invaluable resource as we undertake the mission of developing skill standards.

Thank you.

[The prepared statement of Mr. Sweeney follows:]

PREPARED STATEMENT OF JOHN J. SWEENEY

I'm John Sweeney, president of the Service Employees International Union.

SEIU represents more than one million service-sector workers in the United States, Canada, and Puerto Rico. We are the fourth largest union in the AFL-CIO, and the largest union of healthcare workers in North America.

I'm pleased to be able to testify today in support of establishing a National Skill Standards Board and more broadly, to stress the urgent need for training and skills standards in order to foster high-productivity work organization in the United States to build a secure and prosperous work force and to keep our nation competitive in the global economy.

As the United States has witnessed the transition to a service economy we have also witnessed the retention of outmoded methods of production, management, and work organization based on the "Taylor" model. This system was developed to serve mass production by relying on an elite few to organize work. Little training was provided to front-line workers and little was expected of them.

Now, the revolutions in high technology and electronic communication have brought demands for greater skills from our workforce -- even in traditionally low-wage occupations. But while the productivity imperative remains, we aren't responding to change by providing workers with the skills they need -- either in school or on the job.

In the best examples from the modern industrial sector, we have seen such problems addressed. Apprenticeships and training programs have a long and successful history in American industry.

But we've seen almost nothing like it in the service sector, where the largest number of employees are in need.

I would like to share SEIU's experiences in the healthcare industry.

Healthcare workers will have to improve their skills as the industry continues to restructure and a strategy for upgrading skills will be needed if workers are to participate in types of health delivery systems and work organizations. Skills standards, continuous training, and effective career development tracks will result in a more flexible and productive healthcare workforce.

My union is participating in two experimental skills standards programs in the healthcare industry: both are aimed at setting uniform standards for health science and technology jobs, and both are funded by grants from the Department of Education.

One is being carried out by the Far West Laboratory for Educational Research and Development. It will develop standards for a number of entry level service occupations, including nurse aides, orderlies, and other support service jobs.

The other is being conducted under the auspices of the Education Development Center, Inc. In its initial stages, this project is undertaking an extensive analysis of the skills content of jobs, including focus groups and interviews with frontline workers.

In addition, SEIU has negotiated career ladder programs for service workers. SEIU locals, for example, have developed a much cited Worker Education Program at nine hospitals in Massachusetts. Grants to set up these programs came from a special training fund established as part of the state's universal health plan. The program initially concentrated on moving entry-level workers to mid-level clerical, laboratory and maintenance positions and has since expanded to enable moves into higher-level technical and professional positions.

The Career Ladder program at Cape Cod Hospital, which has been in existence for more than 10 years, helps facilitate more than 50 promotions per year.

And our experience with labor-management cooperation tells us that national skills standards will be vital to the future of both employees and employers in this industry.

Only by fostering high wage jobs and providing workers with advanced skills that are portable can American healthcare providers meet the standards of quality and cost-effectiveness they are seeking.

In this industry, young workers often lack the skills to rise above an entry-level occupation. The mechanisms to promote skills development and certification just don't exist. As a result, frustration and turnover are high.

But leaving the job doesn't benefit the typical service-sector worker. Rather, employees are held in low-end jobs by their lack of skills, and their careers are more likely to reflect movement from one low-wage, entry-level job to another without upward mobility.

In the healthcare field, this cycle of frustration is reinforced by rapidly changing technology and improved infection control procedures which make work especially complex.

In addition, our healthcare workforce includes an ever growing number of recent immigrants and non native speakers of English. However, in many healthcare work settings, computer skills are now expected even of housekeepers and supply clerks.

The result is a job ghetto -- no mobility, no escape.

And even where individual facilities do offer training to employees, the content is often too employer-specific, and can't be applied elsewhere in the event of job dislocation.

But our experience also tells us that we need to develop skills standards carefully. Labor unions, and more important, front line workers, must be fairly represented in the development process. In fields like healthcare, our workers know better than anyone how countless matters of work organization can be improved.

Front-line workers are the key to quality in the workplace, and they will be an invaluable resource as we undertake the mission of developing skills standards.

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The CHAIRMAN. Thank you very much.

Mr. Tucker, let me ask you why should the Feds be involved in this? This was a matter that was discussed in that rather extensive review or study—what role should the Feds have, should industry have, and States, and local communities? What is your response?

Mr. TUCKER. Well, I think the answer is really very simple——

The CHAIRMAN. And this is assuming the panel is set up as outlined in the legislation, which is a very broad-based panel.

Mr. TUCKER. Right. I view the Federal function here as a convening and guiding function. It is not a "doing it" function. In effect what the Federal Government is doing is assembling around a table all the parties who have to be involved—have to be involved in what? The reason that the Federal Government has to do this is because it is the only convener who has the standing to help create a system.

What is happening right now out there in the States—and I was talking just yesterday with Evelyn Gansglass, who is the point person for these issues at the National Governors Association—is that State by State, the States have stopped their work on setting skill standards of this sort because it makes no sense to them to do this State by State. They know that these standards are going to be valuable only if they run from coast to coast. So they are waiting, she said, for the Federal Government to step up to the plate and organize this activity.

When I talk to the people in the American Electronics Association, they say it makes no sense to do it this way.

When an automobile worker these days picks up the hood, whether they are repairing or making the car, and they look underneath, what they see is electronics. We have the electronics industry setting standards over here, and we have the automobile industry setting standards over here. If somebody wants to move from making refrigerators, if that doesn't happen to be a popular thing to do this week, and move into the electronics part of the automobile business, they will have to start at the bottom all over again, in a training program designed to a different standard. That makes no sense.

What we need as a country is a system. What we have to have around the table are the people from State government, from business, from labor, from the advocacy groups and all the other folks whose interests need to be represented as we build the system. It is only the Federal Government that has the convening authority to make that happen. Without a system, we're dead.

The CHAIRMAN. Let me ask you this. We are down to—and maybe John Sweeney will correct me—about 17 percent of our GNP is in manufacturing. For the Europeans, it is 31, 32, 33 percent, and their wages are equal to if not higher than ours; their benefit packages in many cases are far more generous, and yet we continue to see in my own State of Massachusetts and in the country a very substantial loss of manufacturing jobs.

How relevant do you think skills standards programs are in terms of the ability to be able to compete internationally and maintain a substantial manufacturing base in those European countries?

Mr. TUCKER. I think it is absolutely essential. When the commission went all over the world looking at these issues, what it discovered in essence is that the world that Harry Featherstone just described is relatively rare in the United States, but quite common in the European countries with which we compete and which are doing best.

Interestingly, just as Harry said, the firms in the United States that are moving farthest and fastest in the direction find that the single greatest obstacle they have to making it work is the lack of people who have the skills that are required. And when you look at what it takes to build the skills that are required in a whole population, the thing that leaps to the fore is standards. Why? Because if you think about this from the standpoint of a kid coming out of high school, and the investment that that kid has to make in acquiring the high skill level that Harry is looking for, why would that kid invest either the time or the money?

The answer in those countries is that they know that if they meet the high skill standard that has been established, largely by the employers, with the help of labor and education, they know that they can get a job that is going to pay well anywhere in the country. That's a very strong incentives.

The CHAIRMAN. And there is strong evidence of that?

Mr. TUCKER. Absolutely, from one end of the world to the other.

The CHAIRMAN. Mr. Featherstone, I had the opportunity a week ago to meet with the Minister of Labor of Australia. About a year ago, they implemented this kind of approach to developing skill standards in Australia. And when I asked about the attitude of businesses, he said, interestingly, that they got support both from labor and from the larger, more progressive, more successful businesses—because those businesses were already investing in worker training. There was some resistance from the middle-level companies and corporations. But they put a system to develop national skill standards in effect a year ago, and it is working now, and there is general agreement across the whole spectrum in Australia that it deserves support.

The interesting thing is that when I asked the Minister of Labor how many American companies were operating in Australia and strongly supporting this kind of program, he listed 40 or 50. Can we begin to think that we might get these companies' parent operations to give us some help and support for an American type of program? Can you give us a little advice on that.

Mr. FEATHERSTONE. Over the last 3 years, I have had the opportunity to speak at over 5,000 companies in the United States, from Mississippi to Oregon to Florida. I have found hundreds of companies that are proceeding this way, and as of last night, in Wayne County, OH, three more came to my house and said we'd like to go this way with our companies—and they are all 90 to 300 people. We've got a lot of large companies like PBG, Johnson and Johnson—Johnson and Johnson, by the way, told me they had gone up to the 10th grade, and now they are going to go up to the 14th grade, like we are doing.

It is a cinch that it is happening. It is also a very difficult thing to do. I and NAM both agree with Marc that it has to be a Federal program to do it so we can be standard across the United States.

I do believe there is a lot more going on than you'll ever find in this committee room, because I get calls two and three and four times a day from people wanting to go into it. Interestingly, Machita/Panasonic is on the phone with us all the time, wanting to put our program into their 10 plants in the United States, and we enjoy that program very much.

I hope that answers it.

The CHAIRMAN. I hope you'll look through the legislation as well and kind of flyspeck it. We'd be enormously interested in what someone of your credibility would have to say about it—we might not agree with all of it, but I think that would be enormously helpful.

Let me ask you this. You won that contract away from Mexico. Could you give us a thumbnail sketch of how that was done? Did you just have a better product, delivered in better time?

Mr. FEATHERSTONE. No. 1, we worked on it for 5 years; it is not simple. Our cost of overhead—we are in 100-year-old buildings, and we have tried to maintain very excellent benefits, so the costs are very high. But in essence, our costs are low when you come to the quality of the output of our people.

We have actually reached—and we have a big sign, "Beat Motorola"—we have actually reached 7 Sigma in our quality going out to our customers, and this is done by the teams in the factory—they don't have management supervision. We also prove to them that they could cut out a massive amount of money in the coordination of going to Mexico and so on by coming to us, because we have perfect delivery, and we communicate very well with our customers. They liked it very much, and Harris, out of Dayton, OH turned around and said, "Do it, prove it, and you've got it." They gave us 90 units in December, and we met it exactly. Every one functioned perfectly. So now we have the entire order.

I think it comes down to high skills and high wages.

The CHAIRMAN. How did you get into this? What made you decide to pursue this approach? Was it just sound business judgment? Why haven't other people gotten it?

Mr. FEATHERSTONE. I worked for Ford Motor Company as a troubleshooter. I would straighten out corporations or plants—they were in the red, and I would put them in the black, and I had 3 or 4 months each time to do that.

Every time, I used the "zero defects" of the sixties, or the buzz word of the time, "quality circles," etc., and they always worked, but they worked like a system of delivering an immensely popular speech that dies the next minute—the things just didn't stay.

So I asked what overall system would allow me to make sure that I could leave and go to another country, or retire, and so on, and these people would grow and have a future. And it came down to education. It came down to math education, because I just happen to like math education.

The CHAIRMAN. OK. Mr. Sweeney, you represent a union whose membership includes a great number of minorities and a lot of women, as well as a lot of low-income workers doing a hard day's work trying to provide for their families and having an enormously difficult time of it.

What is the reaction generally among your members—minorities, women, and low wage workers in particular—to the development of these kinds of standards? Do they feel threatened by it, or do they support it, or what?

Mr. SWEENEY. They really support it. They are just hungry for the kinds of aims and goals that we see coming as a result of this legislation. In any situation where we have been able to put together any of these programs that I referred to in my testimony, the workers have been so receptive, and it has not only built up their own pride and dignity in terms of their work and in terms of their opportunities for advancement, but it has also built up the morale and the spirit of the whole work force in those particular facilities.

The CHAIRMAN. I think you and Mr. Featherstone are both underscoring something that we don't spend very much time on, and that is if you have a work force that is a satisfied work force—whether that means having adequate leave time so they can get a little time off when they have a sick child or getting some recognition for their contribution in terms of production—they are going to produce better for the company.

Mr. SWEENEY. And if they have a role in the considerations and the expectations and feel that they are a part of the discussion of what the eventual program is, it is so good for them as individuals and as workers.

The CHAIRMAN. I would just say parenthetically, and then my time is up, that this is very much in line with the kind of thing we are trying to do in OSHA. We don't need a huge number of inspectors—we can't afford it in any event; with the number of DSHA inspectors we have now it's about once every 84 years that they can get to every workplace—but as Mr. Featherstone pointed out, where you have front line workers who are skilled and working closely together, with each other and with management, you get reductions in terms of accidents, and you have other health-related benefits are realized. So worker participation is something that I think has a positive impact, or certainly appears to, with regard to the worker compensation issues, but that's another issue for another time. Thank you.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

I would just like to say I think this is a very important hearing. Establishing a National Skills Standards Board under Title IV of the education reform legislation has perhaps been overlooked in the whole discussion of the Goals 2000 in education, but it could significantly affect a majority of our work force as this evolves. So I think it is an extremely important issue.

I have been struck by all three of you commenting that the heart of it all is education, and you can't do much with skill standards if you can't build it on a solid education foundation. I think as you said, Mr. Tucker, that where you find high skills, you have found high standards of education. As we require more from our students who graduate from high school, even middle school, those high standards are going to translate into a basic foundation which, as Mr. Featherstone has pointed out, is really the heart of his program, going back into education.

I think saying that goes back to what we need to do to improve the standards and the expectations of those graduating from our secondary schools.

To go back to skill standards, Mr. Sweeney, as far as the Service Employees Union and the skill standards that you are developing, say, for orderlies or nurses' aides, as you mentioned, are those not things that you could develop in an apprenticeship program with the success that Mr. Tucker pointed out is being attained in some of the apprenticeship programs in the union? Could that not be specific to——

Mr. SWEENEY. In most of our programs, the workers are already in position in terms of entry-level jobs, and it is while they are working that they are provided with the upward mobility or the career ladder opportunities, and it is a form of apprenticeship, but it is in conjunction with their full-time work schedule.

Senator KASSEBAUM. How do you mean "in conjunction with their full-time work schedule"?

Mr. SWEENEY. I mean the education is taking place in the work site, and they are working a full week, so they are putting in full-time employment.

Senator KASSEBAUM. Can you give me a specific of what type of skill training, for instance, for a nurses' aide that would be taking place?

Mr. SWEENEY. The health care facility itself would be providing the classroom training as well as on-the-job training.

Senator KASSEBAUM. But based to a national skill, or is this something that——

Mr. SWEENEY. Based to national or State standards.

Senator KASSEBAUM. Mr. Tucker?

Mr. TUCKER. Senator, I think from my point of view, it is very important not to think about apprenticeship and these skill standards as alternatives, but rather as two necessary halves to a whole system.

That is, in my view, we should be building a set of standards which can be used in exactly the way John Sweeney is describing for people who are already employed as the standards that we would use for an apprenticeship program that we would build nationally.

That is, what you have to do to become a skilled nurse would be independent of how you got to it. You could be 50 years old and a dislocated worker deciding to be a practical or registered nurse, or you could decide that that's what you wanted to do when you were 16 or 17 years old and moving out of high school and into work.

So there might be lots of different ways to prepare yourself to meet the standard, but the standard would be independent of your age. In my view, it would be precisely the job of this National Skills Standards Board to create standards with such a system in view. So these would not be course standards; they would be outcome standards. They would tell you what you need to know and be able to do in order to succeed at this kind of work, quite independent of how you get there—all at work, all study, combination of study and work. Different people would get there differently.

Senator KASSEBAUM. Well, you said several times in your discussions, Mr. Tucker, that what we need is a system.

Mr. TUCKER. Yes.

Senator KASSEBAUM. And what is this system? Is it these standards?

Mr. TUCKER. No. It is interesting—in most of Europe and much of Asia, the phrase, "labor market system," is as well-known as the phrase, "education system." Unfortunately, in the United States, the phrase, "labor market system," as you know, is nearly unknown. What I mean by a "system" is an interlocked array of institutions that will pull together in some sensible way all of our training programs and our employment programs and our employment service programs so that they make some sense. What we have now are programs for poor people, which are completely separate from our programs for dislocated workers, which are completely separate from the programs that we use for vocational education for kids coming out of high school That is not the case in other countries.

In other countries which really care about the quality of their front line work force and their future, these are not separate programs, these are not separate systems; they are all pieces of a single, interlocked system. And one of the things that locks it all together is a set of standards which are clear and which are the same for everybody, as I say.

There are other pieces that ought to be part of this system, in my view, but the standards piece is absolutely essential to the operation of any conceivable system that anybody I know who has looked at the set of issues can imagine. It is crucial to motivate people to achieve at high levels to know, as I said earlier, that if you achieve this standard, there is somebody out there who is going to employ you and pay you well to meet it.

Senator KASSEBAUM. You mentioned several times Europe and/or Japan. But in both Europe and, I would argue, Japan, there is very little flexibility, and I think that is one troubling aspect——

Mr. TUCKER. What kind of flexibility are you referring to?

Senator KASSEBAUM. Well, you don't move easily. You tend to, in Japan, as you pointed out, stay in one industry. That may be changing. I think in Europe, you become an apprentice an electrician, and you tend to stay an electrician. Here, we have so much more mobility. And I would go back to the basics, again, which I think is crucial but which goes back to where we have been lacking, I think, in our educational system more than necessarily setting skill standards.

And I think—just to say to Mr. Featherstone—you are the best example of what needs to be done, and you still believe, though, a national system is important.

Mr. FEATHERSTONE. Yes, I do. We are working in Wayne County on a system to get the youth to come to us right now. I have for 2 years been working with the University of Akron to take my people into their fold for 2 years, and in vocational school, all industry is going to mentor each child in the vocational school, regardless of its hospitals, banks, etc. And this, by the way, is being set up next Tuesday.

What we hope to do is bring together, 4 years down the line, the youth out of the school systems, with all the knowledge that is needed for any industry in our county so that we can get something going for ourselves and for these youth.

We hired 10 youth from three counties 2 years ago, all high school graduates, and three of them could add five-eighths and five-eighths. And we know what is coming out, so we also know that we have to work down at that level to be able to get feeds to us of very good people to mesh with our people. And we are doing that. There are two counties in Ohio working with me on this.

Senator KASSEBAUM. If we could just clone you, we wouldn't need a National Skills Standards Board. But I think also, it shows what in the future business has to recognize is important if it is to succeed.

Mr. FEATHERSTONE. I know. But I want my people to be able to move to California and be able to walk into a place and say, "I have an associate degree of manufacturing; this is my background, and I am good," and the employer will say, "We know you're good, because we know this system, and we know your standards." It has got to be. I want our people to be able to go worldwide and be proud of themselves and be able to step into any job.

We have built total flexibility into our program. There is not skill that they can't do. My people can do any skill that I know of in automotive. I spent a long time in automotive. And because of their education and their math level—I don't know if this is a skill standard; I just know it is a standard that I think we will be building from now until forever. And anybody could, but I still agree that we have got to have the ability to move people from here to there and let them go into anything they want, with the ability to learn quickly and go into it.

Senator KASSEBAUM. Mr. Tucker.

Mr. TUCKER. One of the biggest reasons that large employers in this country don't employ kids coming right out of high school is because they haven't any way to interpret the high school record. It says I got an "A" in math, but the employer has absolutely no idea of knowing what that "A" in math is. Did I take general math, which doesn't mean a damn thing, or did I take real math, and I learned algebra and geometry and the rest?

The same thing holds true here. A kid can walk in and say he has an AA degree in whatever it is from the local community college, and Harry has absolutely no way of knowing what that means. It could mean that they have absolutely solid education and training in that field, but it could also mean that that person is as far from a capacity to operate at 7 Sigma in that arena as a 4-year-old child.

The functions that standards have served in these other countries is to say to Harry if this person meets this standard, whether they came to him from California or Iowa or nextdoor, when they have met this standard, he knows they will be able to operate at 7 Sigma, period, no questions asked. That is an enormous advantage to a country as a whole.

Our ideas, by the way, about the rigidity of the European system are, I think, justified to some extent, but there are also a lot of myths about it. I discovered when the commission went to Germany, for example, that the recently retired chairs of both Deimler Benz and Deutschebank came up through their vocational education system. Everywhere we went, we found presidents and vice presidents of firms who were graduates of their vocational education system—which would be quite unthinkable in this country. You go to vocational education, and you rarely wind up in management at any level.

One-third of the university-degreed engineers in Germany came up through their vocational education system, which would also be unthinkable here. The Germans are trying very hard right now. They have recently reduced 44 separate classifications in the machine tools and machining trades down to just six They recognize the need to move into broad classifications.

In my view, what this country needs to get the best of both possible worlds and address the problem that you are talking about is a system of qualifications that will meet the need that Harry just talked about, but not be so narrow that it produces what you are afraid of, which is rigidity in the economy. That is what is crucial.

Senator KASSEBAUM. Thank you very much. My time is up.

The CHAIRMAN. Thank you.

Senator Simon.

Senator SIMON. Thank you, Mr. Chairman, and thank you for holding hearings on this.

Mr. Tucker, I regret that I was not here for your testimony. However, I did read your written testimony. In it you say, in referring to Japanese employers that, "unlike us, they believe that the most important component of general intelligence is effort, and the least important is inherited aptitude."

Mr. TUCKER. Correct.

Senator SIMON. What are you saying by implication about us?

Mr. TUCKER. Oh, the record is very clear. This whole country's education system is organized on the assumption that education achievement is a direct function of inherited intelligence. That is the view that American psychologists put on the table in the 1930's and 1940's, and it absolutely informed our whole testing system and our curriculum in the United States.

Senator SIMON. So we end up with lower expectations for many people, particularly minorities.

Mr. TUCKER. Absolutely. Those psychologists in the 1940's said that only 30 percent of us were capable of serious academic work; the rest could never do it. And that actually fit our conception of, as John Sweeney said, how we ought to organize work, because we only needed 30 percent of us to be managers and professionals, so all the rest could be drones. That is not what the Japanese believe. When I went to Toyota City 3 years ago, they were training all of the people on the assembly line to be qualified junior engineers in American terms—all of them. They believed these kids had the capacity to study engineering and master it at a serious level. That is why we are getting beaten.

Senator SIMON. I have been spending some time visiting schools in a number of poor areas on the west side and the south side of Chicago, I have found that a principal's expectations play an important role in a student's success. It is very interesting that where you have a principal who has high expectations for the students, these young people meet those expectations. Where you have principals who have accepted the stereotypes, and have low expectations, that's what the students live up to.

Mr. TUCKER. There is tons of evidence for that. There is tons of evidence for that.

Senator SIMON. I think your point is very important.

Mr. Featherstone, you are an inspiration. I think what you have done is just great. I noticed in reading your prepared statement that you mentioned that you are an employee-owned company.

Mr. FEATHERSTONE. Yes, sir, since 1985.

Senator SIMON. Is this after you took charge or before?

Mr. FEATHERSTONE. I took charge in 1984, and we converted to an employee-owned company January 1st, 1986. I was given 1 month to either liquidate the company or save it by the board of directors. So I went 24 hours a day with Cleveland attorneys, and we converted it to an ESOP. That gets into product liability, and I don't want to do that today.

It had no effect on this program until about 2 or 3 years ago. I did it entirely wrong. You don't do an ESOP in 1 month. And the people woke up on January 1st, owners, and hated it, and told me so. They didn't understand equity, and that was another reason for education. I promised them a seat on the board when they knew how to run the business, and I wanted to do the education also, to allow each one of them to run the business. And we have accomplished that—or, they have accomplished that; I haven't.

Senator SIMON. First, I happen to believe that, longterm, these ESOPs are great things.

Mr. FEATHERSTONE. They are excellent.

Senator SIMON. But I think the reality is that they will only make up a minority of American businesses.

What if Harry Featherstone himself owned that business completely, you owned 100 percent of the stock; could you have done what you did?

Mr. FEATHERSTONE. Oh, yes. I can name many companies of 1,100 people, 4,000 people across the United States that have done what I have done—and we are sort of a fraternity now, and we talk to each other all the time about accomplishments. The medical accomplishment and the workers' comp accomplishment is pretty much the same across the United States with these people. And most of these are privately owned. I say I would have liked to have done this with Ford back in the sixties when I was there, but I realize very deeply that the times weren't right at that time, because he as talking about the forties, and the sixties were different.

The time is now, and it is a sense that the laboring person—and I get calls, believe it or not, from factories in Philadelphia, very large companies, people who have read about it in the newspaper, saying, "Can you help us?" So the time is now.

Senator SIMON. Well, yours is a great story.

Our friend John Sweeney, you mentioned that education programs are often too employer-specific, and you mentioned in response to Senator Kassebaum the types of classes that are held. Are these classes that are upgrading the general skills, or are these classes that are, for example, teaching people how to handle patients who come in to an emergency room.

Mr. SWEENEY. They are all of that and more. We have such a wide range of programs that I could cite. I could cite a building service program in New York where, as a result of some help from the Labor Department, a jointly-trusteed fund was created where workers who performed tasks such as porter work go to school on their own time—it is a program certified by the City of New York—and upgrade their skills into different areas of expertise, such as locksmith, air conditioning repair, different areas of security, and so on. That is all ont he worker's own time. In conjunction with that, there is a high school equivalency program, there is an English language program. Depending on the needs of the workers, the program is tailored according to those needs.

Senator SIMON. Is this legislation going to help in encouraging what you see as the needs of those people?

Mr. SWEENEY. We firmly believe that this legislation will help provide a momentum for establishing similar kinds of programs all over the country, with similar kinds of standards.

Senator SIMON. Mr. Featherstone, can I ask you the same?

Mr. FEATHERSTONE. Yes, I feel this legislation is needed and, if tailored correctly, will be the future of the United States.

Senator SIMON. When you say "tailored correctly," you have some specific suggestions, or at least, the NAM has. On reflection, if you have additional suggestions, we'd be happy to hear from you.

Mr. FEATHERSTONE. I couldn't sit here and try to suggest. If the committee that is formed would like to have me talk to them about various areas, I would love to do so. I would correct one thing—I did not do this; the 300 people in our factory did it, and you should come and talk to them, and then you would know what education in math is about, and the clerical, and so on. It has been a very deep thing with me for 8 years, and as it goes on—we just yesterday added Swedish and French for September 1st, and we are going to add sign in one of our plans, and we are going to try to use hearing impaired—but these are my suggestions and factory suggestions, people's suggestions. These are ideas and concepts that flow from education. And I would be happy and more than pleased to work with the committee.

Senator SIMON. That is great. How many places in this country are offering Swedish and French? It's a great tribute to you and also to those 300 people.

Mr. FEATHERSTONE. Thank you.

Senator SIMON. I thank all three of you.

Thank you, Mr. Chairman.

The CHAIRMAN. How is your company doing?

Mr. FEATHERSTONE. Very good.

The CHAIRMAN. I'm really glad we got that answer.

Mr. FEATHERSTONE. Yes. We did very poorly last year; we had a recession in the last 3 years, and we are exploding now—if I can just get the bankers to come through, we're going to go for it.

The CHAIRMAN. We thank you all very, very much and appreciate your appearance.

We are pleased to have with us today Linda Morra, director of education and employment issues in the human resources division of the General Accounting Office. Ms. Morra will testify this morning on the recent results of a recent study by GAO, scheduled for release next week, on various occupational skills standards and certification systems. And we also have with us Larry Lorber, of the law firm of Verner, Liipfert, Bernhard, McPherson and Hand, who will give us his views on the interplay between provisions of S. 846 and the civil rights laws. Mr. Lorber served as director of the Office of Federal Contract Compliance in the Ford administration and has represented a number of business clients on civil rights issues. We'll ask you both to come forward, please.

Ms. Morra, we'd be glad to hear from you first.

STATEMENTS OF LINDA G. MORRA, DIRECTOR, EDUCATION AND EMPLOYMENT ISSUES, HUMAN RESOURCES DIVISION, UNITED STATES GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY SIGURD NELSON, ACTING DIRECTOR, GAO; AND LARRY Z. LORBER, PARTNER, VERNER, LIIPFERT, BERNHARD, MCPHERSON AND HAND, WASHINGTON, DC

Ms. MORRA. Thank you. I'd like to introduce Sig Nelson, who is with me today, who directed the study that I am going to talk about today.

I am going to summarize my comments, but ask that they be included in their entirety.

The CHAIRMAN. Yes, they will be.

Ms. MORRA. Thank you.

Mr. Chairman, Senator Kassebaum, we are pleased to be here today to discuss the results of our recent work on experiences with voluntary skill standards and certification systems. We believe these experiences can provide some perspective as the committee considers legislation related to standards and certification systems.

Our testimony is based on a study that we have been doing for the Joint Economic Committee. We identified 20 established certification systems where industry had invested significant resources to provide national credentials to individuals based on industry standards. We selected eight of these systems for review which set standards for occupations that required less than a bachelor's degree for entry and that were projected to grow. Some of these systems have been successfully implemented; others are struggling.

In brief, we found that organizations and industries sponsoring skill standards and certification systems believed that the time and resources devoted to developing and managing such systems is well-spent. However, sponsors have not evaluated the impact of these systems on workers or employers. The most important element common to the standards and certification systems we reviewed is industry ownership and control. Obstacles to such systems included high cost and difficulties in developing industry coalitions and getting them to agree on standards. Let me expand.

Sponsoring organizations provided anecdotes to us about benefits that accrue to both workers and employers from certification systems. They believe that certification has gained higher wages for certified workers. For example, the International Association of Bridge, Structural, and Ornamental Ironworkers, which represents many ironworkers employed as welders, estimated that certified welders earn $10,000 to $12,000 more per year than noncertified welders.

Certification was reported as also benefiting employers by helping to identify qualified workers, saving money on applicant screening. In addition, we were told that certification systems can aid employers in recruiting, help them assess the quality of training programs, and improve the public perception of a firm. However, most sponsors could not provide evidence that their systems facilitated the hiring and promotion of certified workers, led to wage premiums or additional training opportunities, or increased worker mobility. They also had no data to demonstrate the benefit that employers gained by more easily identifying qualified workers.

Industry ownership and control was the most important element of the voluntary skill certification systems we reviewed. We saw that it resulted in substantial and ongoing investments of industry resources and an interest in assuring that the systems are updated.

A requirement for recertification, which encourages workers to keep up with technological change, was also a common element of the systems. Certificate programs were either of fixed duration—for example, 5 years—and required passing another assessment to be recertified, or they were permanent, with periodic continuing education required. For example, the National Institute for Automotive Service Excellence, ASE, provides certificates that are valid for 5 years for those who pass an exam. After 5 years, workers must pass another exam to be recertified.

Another important element was that individuals' credentials be portable from employer to employer and across States. For example, certified welders can move from State to State as jobs appear and have their certification honored. Without certification, welders seeking work in another State must forego wages while waiting to be certified to work on a specific project.

A final common element was that occupational training providers were linked to the certification system. Most systems we reviewed were associated with a unit that develops curricula for training providers, or accredits training programs directly.

For example, the Committee on Allied Health Education and Accreditation of the American Medical Association accredits schools for training in medical records technology. Community colleges, hospitals, and other training providers base their programs on the requirements needed for certification by this group. By using the industry standards, the training programs are kept up to date and provide training valued by employers in the medical community.

A common element we expected but did not find was performance-based testing to assess competency. Only two of the eight certification systems used such testing. Sponsors said logistical difficulties, high cost, potential problems with unfamiliar equipment, and inconsistent ratings by performance assessors were reasons for relying on written exams rather than performance tests.

Associations and industry groups discussed the high cost of developing and maintaining certification systems. We could not determine exactly how much was spent because many of the expenditures were in-kind contributions of staff time and materials over several years. Three of the eight systems we examined were financially self-sustaining, through exams and other fees. We were told that the other systems lose money but are continued because of the industries' commitment and belief in their value.

The development time for the eight systems we examined ranged from 2 years to 7 years. During these periods, program sponsors invest substantial staff time in support of the programs, without assurance that the system will sustain itself financially. In addition to the development time, it takes years to gain national credibility and acceptance across the spectrum of employers, workers, and educators.

Associations and industry groups also indicated difficulty in developing industry coalitions to develop the systems. Employers may share common skill needs, but they often have difficulty organizing to jointly identify and document those needs and overcome competitive differences.

We also observed that generally, no central body or administrative structure exists to lend credibility to standards and certification systems that are developed by industry representatives and to help market them throughout the industry. Without assistance in advertising, promotion and organizing industry and labor to support these efforts, new programs find it difficult to convince nonparticipating employers and workers of the system's benefits.

Another obstacle we found is that many disagree on how broadly the occupations, and thus the standards, should be defined. Employers fear that workers receiving broad training will move to competitors; workers fear that specific training will decrease their job mobility.

Finally, none of the systems we reviewed had developed and maintained a true collaboration of stakeholders—employers, educators, and workers. The systems, with the exception of operating engineers, did not seek to involve workers or their representatives in the development or the maintenance of the certification program.

Certification sponsors told us that Federal support and collaboration could help foster the broad-based development of skill standards and certification systems. In addition, they indicated that Federal efforts will not be effective without industry ownership and control of standards and certification systems, industry commitment to training and incentive to workers.

Many of the duties and activities identified in S. 846 for the National Skills Standards Board are consistent with the activities we were told the Federal Government could appropriately assume to foster the development, acceptance and use of skill standards and certification systems. These include, for example, maintaining a clearinghouse and facilitating the formation of industry, labor, and education coalitions. However, with regard to any Federal role, our discussions made it clear that industry ownership and control was seen as essential to the development and acceptance of standards and certification systems.

Mr. Chairman, that concludes my testimony. I would be glad to answer any questions you might have.

The CHAIRMAN. Thank you very much.

[The prepared statement of Ms. Morra follows:]

PREPARED STATEMENT OF LINDA G. MORRA

Mr. Chairman and members of the committee, we are pleased to be here today to discuss the results of our recent work where we reviewed the experiences of sponsors of voluntary skill standards and certification systems. We believe these experiences can provide some perspective as the committee considers legislation (S. 846, the "Goals 2000: Educate America Act") related to the development and adoption of a voluntary national system of skill standards and certification.

Our testimony is based on our forthcoming report, prepared at the request of the Joint Economic Committee, on occupational skill standards and certification systems operating in the United States.[1] We identified 20 established certification systems where industry had invested significant resources to provide national credentials to individuals based on industry standards. We selected eight systems for review from this larger group, which set standards for occupations that required less than a bachelor's degree for entry and that were projected to grow. Some of these systems have been successfully implemented, while others are struggling to get established in their industry.

In brief, we found that organizations and industries sponsoring skill standards and certification systems believe that the time and resources devoted to developing and managing such systems were well-spent and represent wise investments in the future of their industry. However, sponsors have not evaluated the impact of these systems on workers or employers. The most important element common to the standards and certification systems we reviewed is industry ownership and control. Contrary to common belief, the process of identifying occupational skill standards was not seen by certification sponsors as a formidable obstacle to establishing certification systems, but they did see other factors as obstacles, such as high costs and difficulties in developing industry coalitions and getting them to agree on standards.

BACKGROUND

Skill standards identify the knowledge and skills needed to perform satisfactorily in the workplace; certification indicates the attainment of these skills and knowledge by an individual, usually through competency-based assessment. Based on criteria developed with the help of experts, we selected 8 of the 20 standards and certification systems for further review. We chose occupations that represent a variety of areas: automobile mechanic; medical records technician; heating, ventilation, and air-conditioning service technician; operating engineer; medical or clinical laboratory technician; welder; printing technician; and craftworker (that is, stone mason and carpenter). Sponsors gave us available information on program participants, costs, and funding. We also interviewed Labor and Education officials, reviewed activities of the Secretary of Labor's National Advisory Commission on Work-Based Learning, and reviewed Labor and Education grants for activities related to the development of occupational skill standards and certification systems.

The Federal Government, through Labor's Office of Work-Based Learning and Education's Office of Vocational and Adult Education, supports the development of these systems through demonstration grants and other activities. The Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 call for the development of statewide systems of standards and measures of performance, including measures of job or work skill attainment. The amendments also authorize the Secretary of Education to establish a program of grants for industry, labor, and education groups to develop national standards for competencies in industries and trades. As a result, Education and Labor awarded 13 grants totaling $4.7 million to industry coalitions for the development of skill standards and certification systems. In addition, Labor's National Advisory Commission on Work-Based Learning is reviewing issues related to their development, including issues of access to programs related to the Americans With Disabilities Act.

Voluntary systems of industry-driven skill standards with assessment and certification are not common in the United States. However, the industries we reviewed have made an investment in skill standards and certification systems for their workers because they see this to be in their best interests for various reasons. Some of the sponsors perceived a shortage of skilled workers in their fields; others saw the mutual benefits to employers and workers of a higher skilled, credentialed work force; while still others responded to what they considered to be external threats.

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[1] Skill Standards: Experience in Certification Systems Shows Industry Involvement to be Key (GAO/HRD-93-90, expected May 1993).

BENEFITS CITED BY SPONSORS OF CERTIFICATION SYSTEMS

Sponsoring organizations provided anecdotal information about benefits that accrue to both workers and employers from certification systems. For example, they believe that certification has gained higher wages for certified workers. The international Association of Bridge, Structural, and Ornamental Ironworkers, which represents many ironworkers employed as welders, estimated that certified welders earn $10,000 to $12,000 more per year than noncertified welders.

Certification was reported as also benefiting employers by helping to identify qualified workers, saving money on applicant screening. For example, on-site certification of welders requires testing workers (at an estimated cost of $200 to $700 per worker) before they can be hired. An official of the ironworkers union believes that the hiring of workers with standardized and portable certification could reduce, and even eliminate, this expense. In addition, we were told that certification systems can aid employers in recruiting, help them assess the quality of training programs, and improve the public perception of a firm. However, most system representatives we contacted could not provide evidence that their systems facilitated the hiring and promotion of certified workers, led to wage premiums or additional training opportunities, or increased worker mobility. They also had no data to demonstrate the benefit that employers gained by more easily identifying qualified workers.

COMMON ELEMENTS OF CERTIFICATION SYSTEMS

Common elements among systems that we reviewed included industry ownership and control, recertification requirements to keep certificate holders' skills current, national portability of credentials, and integration of industry standards with education providers through some sort of accreditation program. While we expected to find that performance-based assessments were among elements common to these systems, this was not the case.

Industry ownership and control was the most important element of the voluntary skill certification systems we reviewed. We saw that it resulted in substantial and ongoing investments of industry resources and an interest in assuring that the systems are updated. Industry representatives, together with educators and workers, were primarily responsible for setting standards and developing test content. Sponsors from each of the eight systems maintained than their industries' continued commitment of resources and time ensures that the standards and assessment mechanisms keep current with technological changes.

A requirement for recertification, which encourages workers to keep up with technological change, was also a common element of certification systems. Certificate programs were either of fixed duration (for example, 5 years) and required passing another assessment to be recertified or permanent with periodic continuing education required (every 2 to 4 years, depending on the system). For example, the National Institute for Automotive Service Excellence (ASE) provides certificates valid for 5 years for those who pass an examination. After 5 years, workers must pass another exam to be recertified.

Another important element was that individuals' credentials be portable from employer to employer and across States. Workers would then be encouraged to seek certification. All eight systems we reviewed established credentials that are valid nationwide. For example, certified welders can move from State to State as jobs appear and have their certification honored. Without certification, welders seeking work in another State must forgo wages while waiting to be certified to work on a project.

A final common element was that occupational training providers were linked to the certification system. Most certification systems we reviewed were associated with a unit that develops curricula for training providers or accredits training programs directly. This linkage aids providers in developing updated curricula and training programs and ensures that educational programs are responsive to employers' needs. For example, the Committee on Allied Health Education and Accreditation of the American Medical Association accredits schools for training in medical records technology. Community colleges, hospitals, and other training providers base their programs on the requirements needed for certification by this group. By using the industry standards, the training programs are kept up-to-date and provide training valued by employers in the medical community.

A common element we expected but did not find was performance-based testing to assess competency. Only two of the eight certification systems used such testing; the rest used written exams. Although sponsors believed that their certification programs accurately assessed individual skills and competencies, the assessment measures used are still a significant issue. Some educators and academics maintain that performance-based testing is the best method to measure skill competency. Sponsors said that logistical difficulties, high costs, potential problems with unfamiliar equipment, and inconsistent ratings by performance assessors were reasons for relying on written rather than performance tests for assessment.

OBSTACLES TO DEVELOPING AND EXPANDING CERTIFICATION SYSTEMS

While we observed common characteristics among these systems, we also noted that implementing certification systems was difficult. Certification sponsors faced obstacles in establishing and implementing these systems. Program sponsors identified six specific obstacles: high costs to develop and maintain systems, the long time required for system acceptance, difficulties in developing industry coalitions and reaching agreement on standards, the lack of a structure for promoting standards across the industry, a lack of uniform occupational definitions across employers, and the problems in bringing all stakeholders together to develop these systems. Contrary to common belief, the process of identifying occupational skill standards was not seen by certification sponsors as a major obstacle to establishing certification systems.

High Cost of Developing and Maintaining Certification Systems

Associations and industry groups reported large expenditures over several years to develop such systems. We could not determine, however, exactly how much was spent because many expenditures were in-kind contributions of staff time and materials over several years and could not be separately quantified. Association and industry groups also noted substantial costs to maintain these systems. For example, they pointed to the costs associated with designing and administering exams at numerous sites and continually updating standards. Three of the eight systems we examined (ASE, Medical Laboratory Technicians, and Medical Records Technicians) were financially self-sustaining through exam and other fees. We were told that other systems lose money but are continued because of the industries' commitment and belief in their potential value.

Lone Time Required for System Establishment and Acceptance

The development time for the eight systems we examined ranged from 2 to 7 years. During these periods, program sponsors invest substantial staff time in support of programs, but do not have assurance that the system will sustain itself financially. In addition to the development time, it takes years to gain national credibility and acceptance across the spectrum of employers, workers, and educators.

Difficulty in Developing Industry Coalitions to Develop Systems

Associations and industry groups indicated that employers may share common skill needs, but they often have difficulty organizing to jointly identify and document those needs, overcoming competitive differences, allaying fears of "pirating",[3] and sharing the costs of curriculum development and assessment. Even where coalitions are easier to form, such as in tightly linked industries or segments of an industry, problems may arise in implementing a nationwide program. For example, labor and employer representatives operate local apprenticeship programs for the operating engineers (operators of construction equipment, such as bulldozers, cranes, and roadgraders). The local programs and the International Union of Operating Engineers developed performance-based standards because their individual apprenticeship training programs lacked uniform training methods and materials. Even though these apprenticeship programs are linked together, they ultimately operate independently and the use of the standards is not mandatory. Only about one-third of the training sites use performance-based standards and training materials.

Lack of Structure to Disseminate information and Promote Certification

For most of the eight industries, we observed that no central body or administrative structure exists to lend credibility to standards and certification developed by industry representatives and to help market them throughout the industry. Without assistance in advertising, promotion, and organizing industry and labor to support these efforts, new programs find it difficult to convince nonparticipating employers and workers of the system's benefits. In many cases, no single organization or group represents all workers in an occupation spread across various U.S. industries. For example, the American Welding Society (AWS) has 41,000 members, which include welders and other industry members, but the Department of Labor has identified 318,000 welders and cutters nationwide.

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[3] "Pirating" occurs when employers not contributing to the costs of maintaining a certification system "steal" certified, trained workers.

Occupations Not Defined Uniformly Across Employers

We found that standards can be specific or general, depending on whether an occupation is defined narrowly or broadly. Experts and industry representatives disagree on the breadth of standards and how occupations and, thus, standards, should be defined. Employers fear that workers receiving broad training will move to competitors; workers fear that specific training will decrease their job mobility. AWS, recognizing the differences among welders by industry, developed general standards but made supplements available for specific industries, such as boilermakers, plastics, and the military.

Inability to Bring All Stakeholders Together in Developing a System

None of the systems we reviewed had developed and maintained a true collaboration of stakeholders: employers, educators, and workers. Although collaboration with workers is said to be key to many of the systems operating in competitor nations, the systems we reviewed—with the exception of the operating engineers—did not seek the involvement of workers or their representatives in the development or maintenance of their certification programs. However, many experts believe that this collaboration is crucial to their success.

SPONSORS SAY FEDERAL GOVERNMENT CAN ASSIST, BUT INDUSTRY MUST LEAD CERTIFICATION EFFORTS

Certification sponsors said that Federal support and collaboration could help foster the broad-based development of skill standards and certification systems. However, no consensus was evident on how such Federal support should be provided. In addition, they indicated that Federal efforts will not be effective without industry ownership and control of standards and certification systems, industry commitment to training, and incentives to workers who attain higher skills. Representatives of the various industries and certification groups suggested several potential Federal roles for encouraging the development of standards and certification that include the following.

The Federal Government could potentially lower total costs of developing such systems and reduce the long time required for system acceptance by providing information services for skill standards and certification, such as

- maintaining a clearinghouse on existing standards and certification systems,
- developing and funding promotional materials and funding promotional activities, and
- providing technical assistance to industry to develop standards.

The sponsors also said that the Federal Government could potentially help overcome difficulties in developing industry coalitions and a lack of a structure for promoting standards across industry by

- facilitating the formation of industry, labor, and education coalitions, and
- mediating disagreements over the composition of industry groups.

In addition, we were told that the Federal Government might assist in providing a uniform definition of occupations and reduce barriers to bringing all stakeholders together to develop such systems by

- assisting to develop agreed-upon definitions of industry,
- integrating standards with Federal and State requirements (for example, State highway departments, and military), and
- providing a mechanism to link standards systems with vocational education through education and training funding.

Finally, the sponsors thought that the Federal Government could potentially play an oversight role by

- evaluating the impact of certification on employers and workers in the marketplace,
- recognizing industry coalitions and resulting standards,
- ensuring that tests are free from bias and discrimination, and
- ensuring equal access to certification.

In conclusion, many of the duties and activities identified in S. 846 for the National Skill Standards Board, which encourage, promote, and assist in the voluntary development and adoption of skill standards, are consistent with the activities we were told the Federal Government could appropriately assume to foster the development, acceptance, and use of skill standards and certification systems. These include, maintaining a clearinghouse, and facilitating the formation of industry, labor, and education coalitions. However, with regard to any Federal role, our discussions

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with certification sponsors made it clear that industry ownership and control was seen as essential to the development and acceptance of standards and certification systems.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions that you or members of the committee might have.

The CHAIRMAN. Mr. Lorber.

Mr. LORBER. Thank you, Mr. Chairman, Senator Kassebaum.

I have practiced in the area of equal employment for over 20 years, in the Government and in private sector; most recently, I was chief counsel to the Business Roundtable during its efforts to help fashion a workable compromise to the Civil Rights Act of 1991. While, as you know, that initiative did not result in a final recommendation for consideration, I think much of the impetus for the final bill which did pass can be traced to the Roundtable's civil rights discussions.

It is with this background that I have been asked to discuss only one aspect of S. 846, the treatment in Title IV of the interplay between the civil rights laws and the mission of the proposed National Skills Standards Board.

As this committee surely recalls, much of the debate in the 22-month legislative process leading to the passage of the 1991 Act was over framing language which would achieve the purpose of furthering equal employment without creating legislative imperatives for quotas. Indeed, during the course of the debate, the Congress acted rather decisively to prohibit test or score adjustment for the express purpose of achieving numerical parity of results. That practice, which is known as "norming," was initially encouraged by the Federal Government as a means of ensuring that the results of the skill inventory tests given by State employment service offices be racially balanced.

The language currently in the bill, I believe, in 403(b)(2)(D) seems to require precisely the same result. The skill standards are apparently going to be voluntary national standards, and the standards designers will obviously have no basis to determine who or how many individuals will avail themselves of the certification process, or which jobs will be included, or which employers will rely on them.

Thus, the only way to avoid disparate impact will be to design standards with the sole criterion of achieving numerically equal results. I think it is disturbing that, after the 1991 debates, this legislation moves back to requiring equal results as a mandatory legal criterion.

There is another, I think, possibly even more or equally troublesome requirement in the bill—and again, I am speaking about the employment context, because that is what Title IV is about—and that is the concept of test fairness. Test fairness evolved in the early 1970's. It presumed that score differentials or result differentials between different groups could be dealt with by separately validating the test for each particular group, or designing separate cut-offs or criteria. This so-called "fairness analysis" would lead to either different cut-off scores by group or score adjustment, which is "norming" the scores, so that the final rankings of applicants would reflect the internal score adjustments. Under any variant, the outcome would be numerical parity.

I think this is social engineering masquerading as science. The concept of "test fairness" has been described by the industrial psychological impression as—and I am quoting them—"a social rather than a psychometric concept. Its definition depends upon what one considers to be fair. Fairness has no single meaning. There is no compelling research literature or theory to suggest that cognitive tests should be used differently for different groups." And I think, further, the concept of "test fairness" has generally been rejected by the courts.

Thus, I think it is rather disturbing to see in this legislation, which is designed to deal with a very serious social problem, the concept of fairness and requiring that the standards be assessed or validated for fairness, or any of the other language which brings in the concept of "test fairness."

And I think finally, perhaps most importantly, the concept of "test fairness" as it has been defined by indeed its proponents was debated at length by the Congress and rejected in 1991, when you enacted Section 106 of the Civil Rights Act, which prohibits "norming," test adjustment or score adjustment for purposes of racial or any other type of parity.

In addition, while I understand that as of now, S. 846 remains unchanged, I have been led to understand that the Department of Labor has submitted various amendments to this committee and to the House, designed, I believe, to resolve the so-called civil rights issues, and I would like to briefly discuss those as I have been led to believe they provide.

I do understand that the disparate impact language has been taken out, or will be taken out, of the bill, and if that's the case, obviously that is an improvement. However, the revised language recommends—indeed, requires—the skill standards boards to disseminate and discuss the implications of the Civil Rights Act with respect to the standards, and I think that, though on its face is a fairly innocuous requirement, does cause some trouble. I would remind this committee that the Congress itself precluded itself from entering legislative history when it passed the 1991 Civil Rights Act, precisely to avoid the variant of definitions and explanations of what the law means. As you know, this was a highly contentious issue, and I think it was determined, probably wisely so, to best leave those definitions to the courts or the agencies which are charged with dealing with that.

This board, which is properly to be focused on analyzing and interpreting and then defining skills, is not in the business, properly so, to define what the equal employment laws are, and to put that requirement on this board brings yet another interpretation into law from a body which simply has neither the authority nor the jurisdiction to do that.

Further, there is one, I think, very troubling, as I understand it, proposed amendment which provides an interesting basis, that employers who use these standards, rely upon these standards—Mr. Featherstone said hire their employees based upon their attainment of these standards—would nevertheless be prohibited from relying upon these standards if they are challenged in the courts on the basis of employment practices. I think it is fairly disingenuous to undertake this very significant national effort to try to establish national skill standards, and yet an employer who relies upon these standards would be statutorily precluded from offering these standards as an explanation. Nobody, I don't believe, is talking about creating a safe harbor, or an exclusion from the civil rights laws for employers if they happen to hire individuals who possess these skill standards. However, to statutorily preclude them from raising the fact that they relied upon these standards in the court, I think is a rather strange policy, and it indicates that the Government seems to be disclaiming its product as having any legal meaning.

Finally, briefly, Mr. Tucker referred to the Griggs decision and the fact that that should underlie this effort as well as all others. Again, as the members certainly recall, Griggs had many meanings, and that was debated at length for 20 months. But I think the one salient aspect of Griggs which I know the Business Roundtable effort tried to get into play and tried to encourage and, I think really, the major holding of that decision, was the language in Griggs which said that employers could set their standards as high as they want, as long as they are consistent with business necessity. It was not minimal standards; it was in an effort to try to increase the standards and to allow employers to do that as long as those new standards were indeed consistent with business necessity in the employment context.

I think the great concern of overlaying this legislation with various concepts, words, all of which unfortunately either have technical or legal meaning, even though they might sound perfectly reasonable, such as fairness, outside the courts or the halls of academe, or the psychologists' debates, simply overlays this legislation with legal and technical impediments which simply can't help the process and probably will hinder it.

So it seems to me that, having gone through those civil rights issues and listening to the testimony this morning, that other than providing, as the legislation does, and as it should, that the standards should be in compliance with the laws and should not serve to discriminate, adding all of these extra requirements, adding all of these extra provisions, simply overlays and might in fact weigh down the goals of this legislation, and Title IV in particular, because employers unfortunately know that, while Mr. Featherstone said that his workers' compensation costs went from $140,000 to $600, they are also well aware of recent decisions under the new civil rights law where damage awards have now even exceeded the caps that the Congress has put on them.

So I think it is not a very good bargain to trade a workers' compensation cost for a litigation cost, and perhaps the best way to do that would be to not encumber this legislation with issues that might be best decided or debated in another context.

Thank you.

[The prepared statement of Mr. Lorber follows:]

Prepared Statement of Larry Z. Lorber

Chairman Kennedy, Senator Kassebaum, members of the committee:

My name is Lawrence Lorber. I am a partner in the law firm of Verner, Liipfert, Bernhard, McPherson and Hand where I practice employment law. I began my career as an attorney in the Labor Department where I was eventually appointed by Secretary John Dunlop to the position of Director of the Office of Federal Contract

Compliance Programs, the agency which enforces the Federal Government's affirmative action programs. During my tenure as Director, the first regulations under Sec. 503 of the Rehabilitation Act of 1973 were issued. Throughout my career in private practice, I have had the opportunity to participate in many of the major legislative activities in the field of equal employment law. Most recently, I was chief counsel to the Business Roundtable during its efforts to help fashion a workable compromise for the landmark Civil Rights Act of 1991. While the Business Roundtable initiative did not itself result in a final recommendation for Congressional consideration, much of the impetus for the final bill which did pass can be traced to the Business Roundtable—Civil Rights community discussions. It is with this background that I have been asked to discuss one aspect of S. 846, the treatment in Title IV of the interplay between the Civil Rights laws and the mission of the proposed National Skill Standards Board.

The legislation sets out an ambitious mission for the Board—to assist in the development and encourage the adoption of national skill standards for designated occupational clusters. Almost every job in the United States economy will be evaluated and categorized and criteria for workplace participation will be established. The legislation directs the Board to incorporate the designs of the proposed National Education Goals Panel as well as to develop standards which recognize the requirements of high performance work organizations; allow for regular updating and the incorporation of technological advances; allow for worker mobility and retraining as well as providing for continuous assessment of the standards. And, as it should, the legislation directs that the standards not be discriminatory with respect to race, gender, age, ethnicity, disability or national origin. However, in addition to these goals and criteria, the legislation rather inexplicably detours to require specific, controversial and even questionable actions which raise once again issues that the Congress and the Nation thought finally addressed in November 1991, when the Civil Rights Act was signed into law.

The legislative mandate to the Board to develop a system of assessment and certification for the national skill standards requires that the Board:

> "(C) include methods for validating the fairness and effectiveness of the assessment and certification system; and
>
> "(D) utilize certification techniques that are designed to avoid disparate impacts (which, for the purposes of this subparagraph, means substantially different rates of certification) against individuals based on race, gender, age, ethnicity, disability or national origin." §403(b)(2)(C) (D).

As this committee surely recalls, much of the debate in the 22 month legislative process leading to the passage of the 1991 Civil Rights Act was over framing language which would achieve the purposes of furthering equal employment without creating legislative imperatives for quotas. Indeed, during the course of the debate, the Congress acted decisively to explicitly prohibit test or score adjustment for the express purpose of achieving numerical parity of results. That practice, which is known as "norming," was initially encouraged by the Federal Government as a means of insuring that the results of skill inventory tests given by State employment services be racially balanced. The language in §403(b)(2)(D) seems to require precisely the same result. The skill standards are apparently going to be voluntary national standards. The standards' designers will have no basis to determine who or how many individuals will avail themselves of the certification process or which jobs will actually be included in any standard. Thus, the only way to "avoid" disparate impact will be to design standards with the sole criteria of achieving numerically equal results. It is disturbing that after the 1991 debates this legislation nevertheless requires equal results as a mandatory legal criteria for the setting of skill standards for almost every job in our society.

Section 403(b)(2)C) creates an equally troublesome requirement. The concept of validation in the equal employment context has long been debated in the courts and by the regulators. It is a statistical and psychological concept which attempts to provide assurance that the test or selection device actually measures what it purports to measure. That is, does an employment selection procedure actually result in more qualified employees being selected. However, validation is a complicated and expensive process which has unfortunately been used at times not to further the science of test development but to inhibit it in the name of equal employment by prohibiting the use of objective selection devices. In particular, a theoretical concept evolved in the earliest days of Title VII known as Test Fairness. Test Fairness presumed that score differentials between different groups could be dealt with by separately validating the test for each particular group. This so-called "Fairness" analysis would lead to either different cutoff scores by group or score adjustment, e.g. "norming," the scores so that the final rankings of applicants would reflect internal score adjustments. Under any variant the outcome would be numerical parity. This is social engineering masquerading as science. The concept of test fairness has been described by the psychological profession as "a social rather than a psychometric concept. Its definition depends upon what one considers to be fair. Fairness has no single meaning . . . There is little evidence to suggest that there is differential prediction for the sexes, and the literature indicates that differential prediction on the basis of cognitive tests is not supported for the major ethnic groups. There is no compelling research literature or theory to suggest that cognitive tests should be used differently for different groups."[1] And, further, the concept of test fairness has generally been rejected in the courts.

Thus, it is disturbing to see the mandate in §403(b)(2)(C) that the assessment and certification system to be developed by the Board be "validated for fairness." And most importantly, the concept of test fairness was implicitly debated at length by the Congress and rejected in 1991 when it enacted §106 of the Civil Rights Act.

While the text of S. 846 remains unchanged, I understand that the Department of Labor has submitted amendments to the Chairman, and ranking member of this committee and to the House which are designed to resolve the civil rights issues. I would like to briefly discuss those amendments. I understand that §402(b)(2)(D) regarding the mandate to eliminate disparate impact is being proposed to be deleted and replaced instead with language requiring that the certification techniques be designed to achieve compliance with the civil rights laws. Other amendments require the Board to disseminate information regarding compliance with the civil rights laws. Finally an amendment has been suggested which will prohibit the endorsed skill standard or certification from being used to show compliance with the civil rights laws. The requirement that the certifications be "validated for fairness" remains.

In particular, the statutory prohibition on even offering the existence and reliance on the skill standard in a legal proceeding is extremely troublesome. It seems extremely incongruous for the government to embark upon the difficult task of establishing national skill standards for almost every job used in our economy and then prohibit those standards from even being relied upon by employers if their employment decisions are challenged. Indeed, for many employers who cannot devote the significant resources to develop their own individualized selection criteria, the proposed national standards may provide the best means of increasing the abilities and productivity of their work force. Yet, if these employers are told that they cannot even offer those standards as an explanation for challenged employment decisions, then they are faced with the choice of either insuring racial, gender, ethnic, origin, age and disabled parity in their work force or responding to an expensive lawsuit with no defense. It is a strange policy for the government to undertake this major effort but to nevertheless disclaim its product as having any legal meaning.

Further, the charge to the Board to disseminate information about the meaning of the Civil Rights laws seems somewhat overreaching. The Board will not be chosen for its expertise in the civil rights area but rather for its expertise in job creation and job standards. With at least two agencies of the government and the courts all beginning to interpret the meaning of the civil rights laws, it would unduly confuse the workplace to add yet another voice to the growing chorus of interpretation and explanation, particularly a voice with neither expertise nor authority in that complicated area.

In view of these issues, and the fact that this legislation is dealing with critical societal needs, it would seem most inappropriate that the Educate America Act be used to resurrect the difficult debates over preferences and social allocation of jobs which the previous Congress and the country experienced and seemingly resolved in 1990 and 1991. Therefore, I believe it most appropriate that the few sections of this legislation which I have highlighted, as well as the proffered amendments, be removed from this legislation so as not to encumber it with the very heavy weight of civil rights politics.

The CHAIRMAN. There is no question that we have to be sensitive to these issues. As a principal sponsor of the 1991 Civil Rights Act, I certainly am sensitive to these issues, and I think it is always useful to have input from others as well. As you know, the administration has proposed a number of changes to the legislation as introduced which address the issues that you've raised in your testimony. We would welcome any comments that you might have in the next couple of days about the changes which address some of the matters that you commented on. We will also leave the record open for other comments related to the impact of this legislation on the question of discrimination in the workplace.

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[1] Principles for the Validation and Use of Personnel Selection Procedures: Society for Industrial and Organizational Psychology, American Psychological Association.

Thank you.

I'd like to come back to Linda Morra for a moment. You testified that industry ownership and control of the standards process was an important common element of the successful systems for the development of the voluntary skill standards which you reviewed for your forthcoming report. I take it you mean industry in the sense of both management and worker representation, working together, rather than just the employer interest alone; is that correct?

Ms. MORRA. We found in seven of the eight industries that we looked at in developing the standards that they did not involve labor. Only one of the eight involved labor.

However, most experts believe that there are three parties who really should be involved in setting standards and certification systems—that is, the employers, the employees—management and labor—and certainly, educators.

The CHAIRMAN. In the areas where just the employer was involved, was there an unwillingness to share with labor information which might have assisted in developing standards, or what was the attitude?

Ms. MORRA. I don't think it was an unwillingness as much as just a sense of industry leading, pulling together the standards, working with the educators to make sure the curriculum is there. It is not always clear that it was, "Let's exclude this group."

The CHAIRMAN. What was the general attitude that you found when you were out there doing this study?

Ms. MORRA. Let me ask Mr. Nelson if he would like to comment on that.

The CHAIRMAN. Do you want to identify yourself for the record, please?

Mr. NELSON. Yes. I am Sigurd Nelson, and I am an assistant director of the U.S. General Accounting Office.

I would say the reason that these systems were developed varied, but for the most part they were driven by the industry interest to fix a problem that they had—either they were seeing that in the future there was going to be a short supply of skilled labor in particular areas, so they were investing to ensure that they would have an adequate supply in the future; or that they were able to upgrade the work force that they had. But it wasn't a matter of necessarily just saying labor could not participate, but they were going ahead and doing this as a business or a corporate decision.

The other thing is—and the other witnesses have referred to this—the difficulty of getting industry groups together to cooperate and form coalitions; that was difficult enough, and I think they were happy to get that much going one step further; and then also involving labor was something that——

The CHAIRMAN. What is the general reluctance? Is it that they are concerned about proprietary information being spread about the industry, or is it just a kind of inherent reluctance to get off the dime? What is it?

Mr. NELSON. I think it is the inherent reluctance. We don't have a history of this kind of collaboration in the country. Marc Tucker referred to the systems in Europe; they have a history of broad-based industry collaborations in a number of areas, this one being one. In the United States, we just don't have that history.

The CHAIRMAN. It is always amazing to me as a politician that the Europeans—who are really much more ideological than we are, generally speaking; their political parties and traditions have been much more ideological than ours in this society—have nevertheless been able to cut through the idealogical divisions between management and labor and look at their self-interest, in terms of high wages and competitiveness. I think we have got to both be aware of and take a lesson from that.

Mr. NELSON. Yes. I think as you point out, the view is what is your time horizon, what is your planning horizon. I think they are able to take a much longer view of things, and that it takes some time to get return on these investments. That is one thing we saw in these systems; it took a long time not only to develop the standards, but also for them to get accepted. And like Mr. Featherstone's firm, you need the commitment to a long time in order to get them developed and spread and accepted.

The CHAIRMAN. Have you taken a look at the time frame included in the legislation? I think it is 1995. Is that reasonable?

Ms. MORRA. We know that for the systems that we looked it, it took 2 to 7 years to develop them, so that it something that may require a substantial amount of time.

The CHAIRMAN. It is December 31, 1995.

Have you had a chance to look through the legislation—I'd be interested in whether the conclusions of your study are in any way inconsistent with the thrust of this legislation.

Ms. MORRA. I think in many ways they are consistent, because officials across these eight industries told us that they saw the Federal Government as playing the kinds of roles that are in this bill, for the most part. So that we think there is a consistency there.

Helping with funds to develop systems was seen as a good Federal role; the helping to bring and develop these coalitions was seen as good; helping to develop and fund promotional materials, because getting these standards developed was just the first step. It was a long road after that in terms of getting people to buy in, accept them, and use them.

So many, many of the activities that are in the bill are consistent with what folks thought would be a very good Federal role.

The CHAIRMAN. Finally, what is your off-hand impression about the degree of resistance we are likely to encounter to the notion of a national board to encourage the development of national skill standards? Do you gather there will be resistance, from your own interviews with various industry people, or not? Were you able to make a judgment or determination on that? I know that wasn't specifically what you were studying, but did you form any impression?

Ms. MORRA. I don't know if I'd call it resistance per se, but there is difficulty because these organizations don't have—let's take the welders' association—they don't represent all the welders. They represent 41,000 welders and other people, where there are over

300,000 in the field. So it is hard I think to disseminate and to convince people that this is a good thing.

I think that one of the things that might help in that regard is evaluation information, which really isn't there at this point. While people have beliefs about the impact—things such as wage differentials—they can't really point and say, "Look, this is what it has done in other areas to have these."

The CHAIRMAN. OK. Thank you very much.

Senator Kassebaum.

Senator KASSEBAUM. Ms. Morra, I'd like to follow on a little bit on that. Did you find any empirical evidence in the eight that you studied that there really was an improvement because of the certification system and the standards in wage increases or in productivity?

Ms. MORRA. We were told that there had been some. For example, the International Association of Ironworkers, which represents some of the welders, indicated that there was a salary differential of some $10,000 to $12,000 per year for those welders who were certified.

Senator KASSEBAUM. Is that the only one you found in the eight that you looked at?

Ms. MORRA. The other one that people told us made a difference was ASE, the automotive mechanics standards. There, they have broad standards and then some other specific credentialing that you can get, and there was a differential for each additional credential that people were able to get.

The associations basically didn't gather a lot of information; that was not where they were focused, and they really haven't attempted to gather information.

Senator KASSEBAUM. So there really would be no statistics that could accurately reflect that.

Ms. MORRA. Right. We couldn't gather any. We tried to gather what there was, and they just did not maintain them.

Senator KASSEBAUM. It intrigued me when you were talking about the welders—these, of course, are voluntary. And you mentioned there are a number of welders not there. Perhaps a Federal role, as you said, in focusing attention and helping to disseminate the importance of these standards would be useful. But how do you bring welders into this initiative if indeed there is really no interest in participating?

I guess I'd ask the chairman—how do you think we could reach those welders who don't want to participate?

The CHAIRMAN. Well, I think it is probably through the outreach programs and self-interest, I would imagine, since these are all voluntary.

Senator KASSEBAUM. That's what I said. They are all voluntary.

The CHAIRMAN. That's right. And how that will work I think is a legitimate question. But I think those who have been involved in developing skill standards in their industries have found that the workers themselves have an interest in supporting the program. I think that's an important point, which is that the workers themselves are prepared to respond, and want to respond, and want to continue to develop their skills—clearly, those who don't want to, you aren't going to be able to deal with the same way.

Senator KASSEBAUM. I was curious that under the eight studies that they did, it seemed to me there were a lot who were outside of the participation. Is that right?

Ms. MORRA. I think one of the real issues is the outreach and promotion of the systems, and how much money it takes to do that. There was one association that was gearing up, and they were planning to spend $100,000 on a promotional effort. That is probably difficult for many associations to do.

Senator KASSEBAUM. You mentioned that the GAO had found that industry ownership and control was the most important element of the voluntary skill standards. Do you feel that the skill standards board as created under S. 846 is owned and controlled by industry? As you know, it is one-third business, one-third union, and one-third educators on Government.

Ms. MORRA. Let me start off by saying that the industry ownership was key and is important not only because of the development, but what is shown I think so clearly by our study is that the maintenance of these systems is really a large, ongoing, continuing effort, not only to update the standards, but also the tests that they used have to be revised all the time; most are revising them annually. So there is a large ongoing effort, and it is like industry saying we are the ones who are going to have to do that, and that is one of the reasons we have to be key in these systems.

But it is also just critical that industry work with employees and work with the educators, and I think you need all three, and that is in the bill, because if the employers and industry associations don't get this into the education segment, then you aren't achieving too much.

Senator KASSEBAUM. I thought that was a very important point. It could be that educators should really be a part of the board in a far greater way than they are, as major participants in that representation. Do you think that would be important?

Ms. MORRA. I believe that educators should be represented on the board; I don't have a sense of what is the right number.

Senator KASSEBAUM. Thank you.

Mr. Lorber, I'd like to ask you, given your experience with the whole question of the civil rights bill, do you believe that the skills board will have the expertise to determine whether the skill standards are consistent with civil rights law?

Mr. LORBER. Candidly, probably not, I think, and if they determine to squeeze the skill standards into whatever that is defined to be, it will probably prove to be an impediment to their action.

My own view is they should act independently, and then the civil rights laws are supposed to take the standards that are accepted and ensure that they are applied fairly, rather than try to skew the standards in their developmental stage to whatever anybody's notion is.

Senator KASSEBAUM. So as Mr. Tucker mentioned in his testimony, this is a sensitive issue.

Mr. LORBER. Absolutely.

Senator KASSEBAUM. It came up in the House. I don't think it can be ignored, because I believe we really do have to try to recognize it, and it could pose significant problems in the future if we aren't comfortable with how we deal with it.

Mr. LORBER. Oh, absolutely, and the legislation does have a provision, as it should, that the standards must be consistent with the civil rights laws. I don't think anybody would presume to suggest otherwise.

The problem is to then begin to build into those standards other overlaying specific issues, some of which are quite controversial. I think relying, as the legislation should and probably must have the general prohibition against discrimination deals with that. Then the problem is that it didn't stop there.

Senator KASSEBAUM. In your view, should the skills board evaluate the skill standards to determine whether the standards comply with the civil rights law, or should the process be left to the individual employer?

Mr. LORBER. Well, I think it should be left to the individual employer. Again, if the skill standards board begins to make those determinations, I think you are going to build in a skewing. And I think employers have a right to look to the standards that the boards promulgate, try to ensure that the employees they hire meet those standards, and then ensure that they do it fairly. That is what the civil rights laws require, and I think that is the appropriate and the necessary focus of the civil rights laws.

Senator KASSEBAUM. Do you see any reason why the employers would utilize the skill standards endorsed by the skills board if employees can still sue employers, based on any alleged discriminatory use of standards?

Mr. LORBER. I think the problem is that if the employers rely on those standards, get sued, and then are precluded from at least offering up their reliance as a defense, then an employer would have to look at this and say it is getting me productivity, but as I said earlier, it might be buying me an extraordinarily expensive lawsuit, and it just doesn't pay. I think it is negating the purpose of the standards if the legislation would say, as I gather there is some suggestion, that you can't rely on these standards. I think that doesn't make any sense as a social policy matter, and certainly doesn't make any sense as a legal matter.

Senator KASSEBAUM. Well, it seems to me this is an area where we really could and should be able to resolve it before it goes any further along, because I think the potential is there for problems, but it does seem to me it lends itself to some careful analysis and some solutions.

Mr. LORBER. Absolutely.

Senator KASSEBAUM. Thank you.

The CHAIRMAN. Of course, no one is attempting to skew the standards in any way. What you want to make sure of is that the standards are job-related, and if they are job-related, then that's really the key.

Senator KASSEBAUM. And as understood by the employer.

The CHAIRMAN. Sure. But as we have established in the civil rights laws, if an employer uses a standard that is job-related, and it happens that they have more whites than blacks who are able to meet the standard, as long as the standard is job-related, then that's a defense. That's what the whole debate over the 1991 Civil Rights Act was about.

I think it is fair to note the concerns in this area, and I am glad that the comments have been made. I think the administration has already addressed those points, but obviously, we always have to be careful when we are fashioning legislation about what the collateral impacts are going to be. As I say, I think we have made important progress in addressing these points already, but we are also interested in listening to constructive comments.

We thank all of you very much.

The committee stands in recess.

[Whereupon, at 12 p.m., the committee was adjourned.]

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